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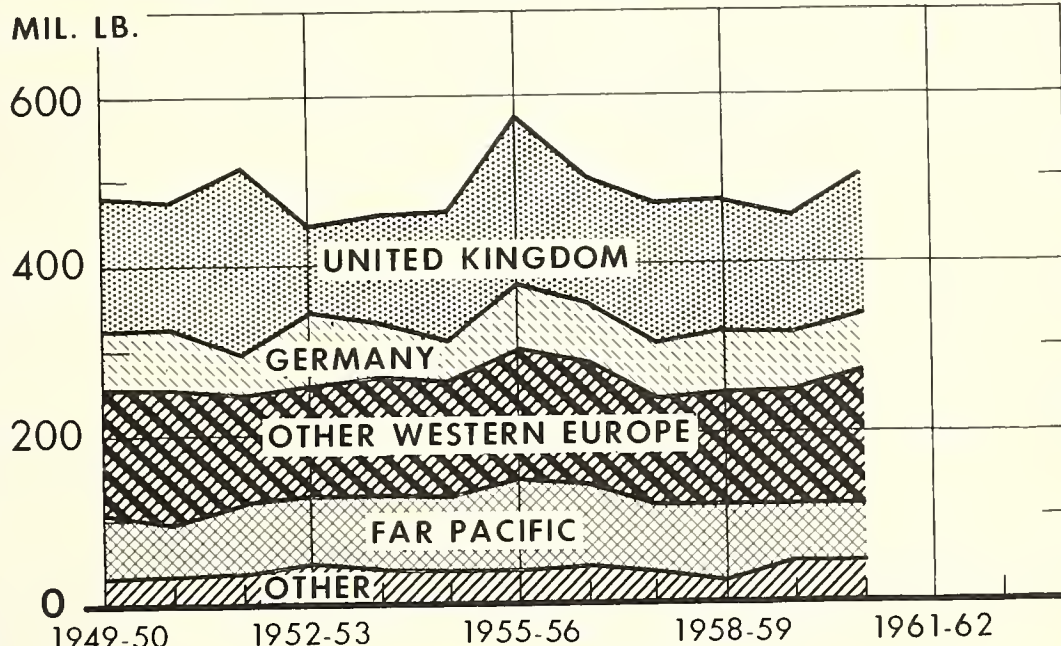
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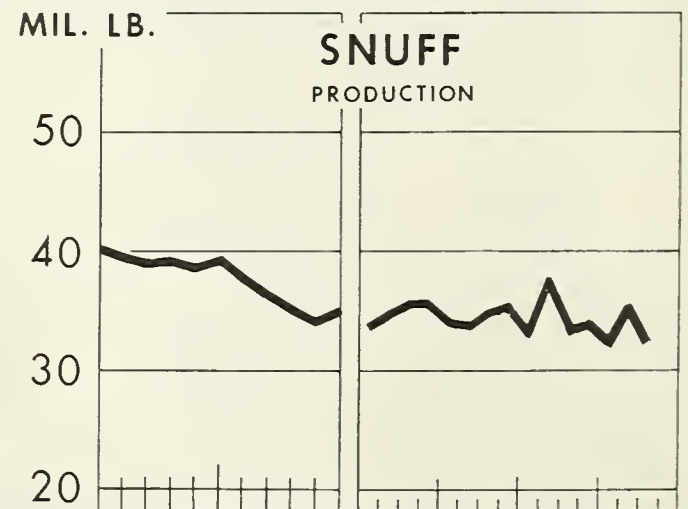
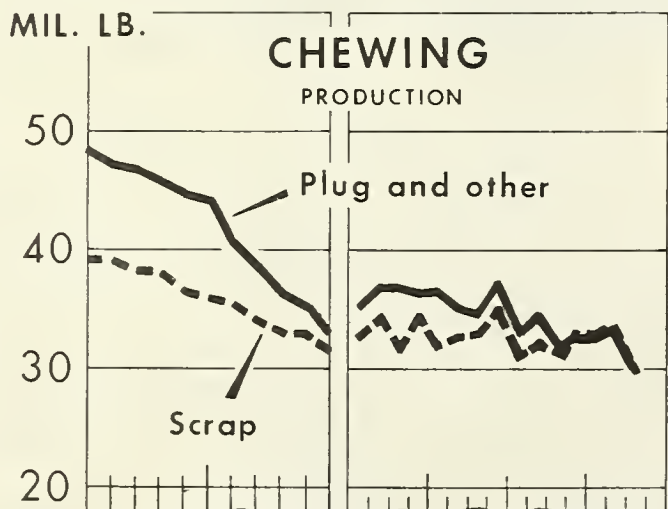
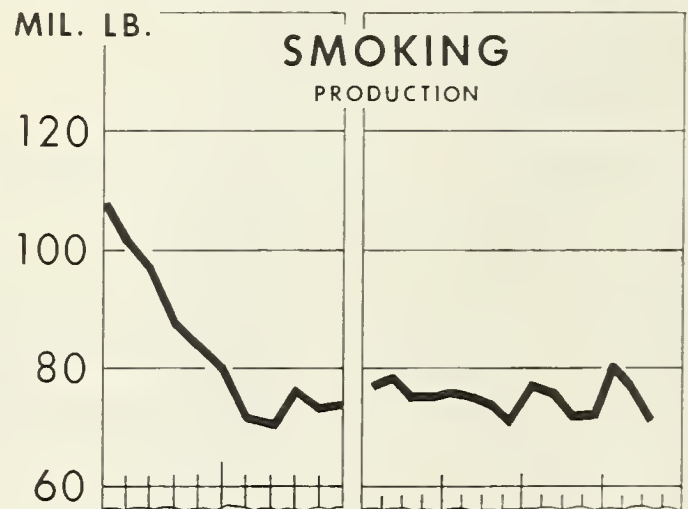
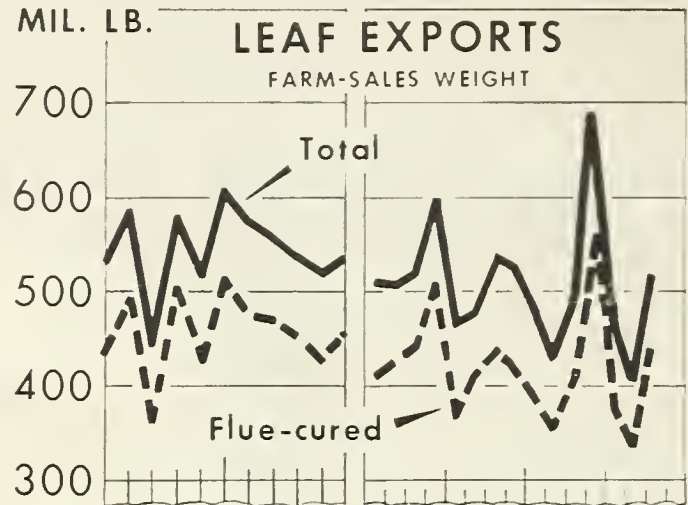
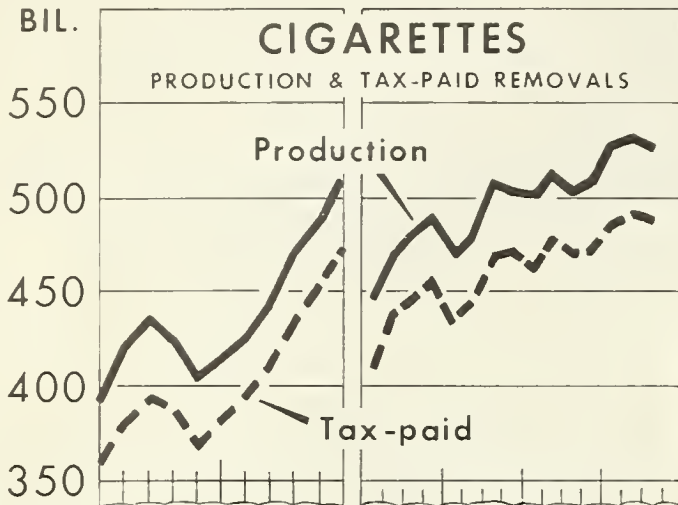
Tobacco Products
Per Capita Consumption
Exports and Imports
Leaf Supplies and Use

Published quarterly by
ECONOMIC RESEARCH SERVICE

U.S. DEPARTMENT OF AGRICULTURE

TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



1950 '55 '60 1958 '59 '60 '61
ANNUAL
QUARTERLY, SEASONALLY
ADJUSTED, AT ANNUAL RATES

1950 '55 '60 1958 '59 '60 '61
ANNUAL
QUARTERLY, SEASONALLY
ADJUSTED, AT ANNUAL RATES

LAST QUARTER SHOWN, PARTLY ESTIMATED

- - - - -
T H E T O B A C C O S I T U A T I O N
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Approved by the Outlook and Situation Board, September 22, 1961

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SUMMARY

The carryover stocks of flue-cured, burley and some of the other kinds of tobacco at the beginning of 1961-62 are lower than a year earlier, but 1961 production of all types combined is indicated to be nearly 3 percent above last year's harvest. The total supply of flue-cured for 1961-62 may be almost as much as for 1960-61 but total supply of burley seems likely to be down about $1\frac{1}{2}$ percent. Prospective supplies of other kinds of tobacco vary--some are indicated to be larger and some smaller than in the year just ending.

The consumption of tobacco products in 1961, except chewing tobacco and snuff, is expected to top 1960. Cigarette output and consumption in 1961 will reach new highs, and cigar and cigarillo consumption combined probably will be the biggest since 1923. Another significant gain in cigarettes is expected in 1962 and a further increase in cigar consumption is likely. The probable advance of consumer income to higher levels is the basically favorable underlying factor in the year ahead.

Exports of unmanufactured tobacco in calendar year 1961 may be a little lower than 1960; similarly, exports in the 1961-62 marketing year (which ends before the 1962 crops come to market) are likely to fall below 1960-61, when they were the largest in five years.

Cigarette output this year is estimated at 530 billion--23 billion more than in 1960 and over 110 billion above 10 years ago. U. S. smokers consume about 95 percent of the output and the other 5 percent is exported and shipped to Puerto Rico and other smaller U. S. islands. Consumption per capita (15 years and over) in 1961 is estimated at 201 packs (20 in a pack), 3 percent above 1960 and 14 percent above 10 years ago. Indications are that the share of the market held by filter tips continues to increase gradually. Last year, filter tips accounted for 51 percent of total output.

The 1961 consumption of cigars and cigarillos may approximate 7,170 million, about 120 million more than in 1960 and 1,380 million more than 10 years ago. Cigarillos and intermediate-size cigars now make up a considerably larger proportion of the total than 10 years ago. Cigar imports from Cuba, which averaged 23 million in 1958-60 (only a third of 1 percent of total U. S. consumption), have fallen sharply in 1961. However, a very substantial proportion of cigars made in this country depend on Cuban tobacco as a constituent of their blends and a significant part of the U. S. industry uses only Cuban tobacco in the manufacture of cigars.

Output of smoking tobacco in 1961 seems likely to be near 75 million pounds--over 1 million pounds above 1960 but 26 million pounds less than 10 years ago. Imports of smoking tobacco--mostly from the Netherlands and United Kingdom--have been rising, and may exceed 1 million pounds this year.

Output of chewing tobacco in 1961 probably will be near 64 million pounds--down about 1 million pounds from 1960 and 22 million pounds below 10 years ago. The drop this year is considerably smaller than from 1959 to 1960, but a further decline is expected in the years ahead.

Output of snuff in 1961 is estimated at near $33\frac{1}{2}$ million pounds--about 1 million below 1960 and 6 million less than 10 years ago. The decline that began in 1956 halted in 1960; it is still too early to tell whether the fall-off in 1961 indicates a continuing decline.

The 1961 exports of unmanufactured tobacco may total 480 million pounds (540 million pounds, farm-sales weight)--about 3 percent lower than in 1960 and about $1\frac{1}{2}$ percent below the recent 10-year average. Although several factors favor U. S. exports of tobacco, unfavorable influences which are being intensified tend to offset them. Among the favorable factors are increasing cigarette consumption abroad, the high level of industrial activity and favorable gold and dollar position of several important markets, and the changed method of determining the overall support price for U. S. tobacco which considerably moderates advances in support levels. However, tobacco production has expanded abroad, resulting in stepped-up competition. Trade barriers of various forms in many areas are restricting U. S. tobacco exports. Probably disadvantageous to U. S. tobacco are recent developments with respect to the United Kingdom--single largest foreign market for our tobacco exports. In line with a broad program to bolster Britain's balance of payments position and to strengthen the pound sterling, the duty on imported tobacco was increased 10 percent in July. Also, there is great concern as to how U. S. tobacco will be affected by the import duties and trade arrangements of the presently constituted European Common Market. This is even of more concern since Britain and others have applied to become part of this grouping of countries. Britain's

Commonwealth partners include Rhodesia-Nyasaland, India, and Canada, which are among the foremost competitors of the U. S. in the exportation of tobacco.

The 1961 levels of price support for the eligible kinds of tobacco are the same as for 1960. Flue-cured auction markets began opening in late July. Prior to the opening, it was determined that loan rates for individual grades would have to be raised to provide effective support at the mandatory level--55.5 cents per pound. This was necessary to take into account the changes in grade composition of successive crops in recent years.

The year-to-year change in overall level of support for flue-cured, burley and the other kinds is determined on the basis of the relationship between a recent 3-year moving average of the parity index and the 1959 parity index. The parity index is the index of prices paid by farmers, including interest, taxes and farm wage rates. If the parity index for the remaining months of this year should continue near its recent level, the 1962 overall support level for each eligible kind of tobacco will be up 1 percent from 1961.

The 1961-62 total supply of flue-cured (carryover plus this year's crop) is almost as much as for 1960-61. Yields per acre this year are averaging very close to last year's record for the producing area as a whole. Domestic use of flue-cured (mainly in cigarettes) during 1960-61 showed a significant increase and exports were the largest in 5 years. About two-thirds of the 1961 flue-cured crop had been marketed by the third week of September. Prices through September 22 averaged 63.9 cents per pound, compared with 59.5 cents in the corresponding sales period of last season. The average price for the season as a whole is expected to be the highest on record. About 3 percent of market deliveries were placed under government loan, practically the same share as in the like period of 1960.

Flue-cured, burley, and Virginia sun-cured tobacco growers will be voting before next planting season on whether they favor the continuation of quotas on the next three crops. A majority of at least two-thirds of those voting is necessary if quotas are to be continued. In previous referendums, growers of these kinds of tobacco have generally voted over 95 percent in favor of keeping marketing quotas in effect. Also, a referendum will be held on Pennsylvania cigar filler tobacco prior to next planting season; in past referendums growers have disapproved quotas for this type.

The total supply of burley for 1961-62 is estimated at about $1\frac{1}{2}$ percent below 1960-61. This year's burley crop is indicated to be up 8 percent from last year's small crop and this partially offsets the drop in carryover from a year ago. Early indications are that domestic use of burley gained in 1960-61--mostly due to the increases in cigarette output. Exports also may have been a little above a year earlier. Burley marketings usually start in late November.

The estimated total supply of Maryland tobacco for 1961-62 is about 1 percent above 1960-61. Little change in domestic use of Maryland tobacco is indicated for the past year, but exports may have been a little smaller.

The 1961-62 total supplies of the fire-cured and dark air- and sun-cured tobaccos are indicated to be a little lower than for 1960-61. The declines in carryover more than offset the appreciable increases in this year's production over last. Domestic use of the fire-cured tobacco is estimated to have declined some in 1960-61 but domestic use of dark air- and sun-cured combined rose a little. Domestically, most fire-cured is used in snuff and dark air- and sun-cured in chewing tobacco. The 1960-61 exports of fire-cured were notably higher than the peacetime low of 1959-60, but exports of the dark air-cured (including the allowance for Black Fat) were smaller than last year's.

The 1961-62 total supply of Pennsylvania and Ohio cigar filler types is indicated to be a little larger than for 1960-61. The Pennsylvania crop is expected to turn out about as large as last year but the Ohio crop is indicated to be up from last year. Domestic use of U. S. cigar filler tobacco types increased in 1960-61 and a little less Cuban tobacco entered consumption channels. Stocks of Cuban tobacco on July 1 were 7 percent below July 1, 1960, but 64 percent above July 1, 1959. More Philippine tobacco was used in 1960-61 than a year earlier. During 1960 and 1961, increasing quantities of cigar tobacco have been arriving from several countries not previously sending much to the United States.

The 1961-62 total supply of Connecticut Valley cigar binder types will be at a record low but supplies of the Wisconsin cigar binder types may be up a little. Most Connecticut Valley binder tobacco is now used in sheet binder, while the principal outlet for the Wisconsin types is in scrap chewing tobacco. The use of binder sheet in place of natural leaf binders on cigars has drastically reduced the requirements for Connecticut Valley types.

The 1961-62 total supply of the shade-grown cigar wrapper types is at a record high. The 1961 crops in both the Connecticut Valley and Georgia-Florida areas are smaller than in 1960, but the increase in carryover, mainly of the Georgia-Florida type, more than offsets the decrease in production.

TOBACCO PRODUCTS

Cigarettes

U. S. cigarette consumption (including that of overseas forces) rose every year from 1933 to 1952, and then fell off moderately in 1953 and 1954. In 1955 it again turned definitely upward and by 1957 topped the 1952 figure, until then the record high. In 1961, for the fifth consecutive year, cigarette output and consumption will reach new highs and a further significant gain is expected in 1962.

This year's output of cigarettes is estimated at 530 billion--about 23 billion more than in 1960 and over 110 billion more than 10 years ago. Cigarette consumption (including that of overseas forces) in 1961 is estimated

Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	:	Total output	:	Domestic consumption	:	Shipments to		:	Exports
						Overseas	Puerto Rico		
						forces and other 1/	and U. S. islands 2/		
		<u>Billions</u>		<u>Billions</u>		<u>Billions</u>	<u>Billions</u>		<u>Billions</u>
Average:	:								
1935-39	:	164.2		157.0		0.9	0.8		5.5
1940-44	:	256.9		223.5		26.5	1.0		5.8
1945	:	332.2		267.2		56.9	1.2		6.9
1946	:	350.0		321.7		5.0	1.6		24.1
1947	:	369.7		335.4		10.4	1.1		22.8
1948	:	386.8		348.5		12.8	1.7		25.2
1949	:	385.0		351.8		12.0	1.7		19.5
1950	:	392.0		360.2		15.6	1.9		14.3
1951	:	418.8		379.7		20.1	2.0		16.8
1952	:	435.5		394.1		21.7	1.9		16.4
1953	:	423.1		386.8		18.8	2.0		16.2
1954	:	401.8		368.7		15.9	1.8		15.4
1955	:	412.3		382.1		13.2	2.0		15.1
1956	:	424.2		393.2		13.3	2.0		15.7
1957	:	442.3		409.4		13.7	2.1		17.0
1958	:	470.1		436.4		13.4	2.2		18.1
1959	:	489.9		453.7		13.7	2.5		19.6
1960	:	506.9		470.1		14.3	2.5		20.2
1961 3/	:	530.0		490.0		15.0	2.7		22.3
Fiscal year									
Year ending June	:								
1957	:	433.9		401.7		14.0	2.0		16.1
1958	:	449.1		416.3		13.3	2.1		17.7
1959	:	479.5		444.3		14.3	2.3		18.4
1960	:	506.1		468.6		14.2	2.5		20.1
1961 4/	:	518.0		479.4		14.1	2.7		21.6

1/ Also includes ship stores and small tax-exempt categories.

2/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands.

3/ Preliminary estimate.

4/ Subject to revision.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

at 505 billion--nearly 21 billion above 1960 and 105 billion more than 10 years ago. Cigarette consumption is expected to show a gain of about 4 percent this year compared with a little over $3\frac{1}{2}$ percent from 1959 to 1960. During 1960 the rate of gain was strong in the first half of the year but slackened markedly during the second half; in 1961, cigarette consumption is expected to gain steadily during the remaining months and throughout 1962 as well. The advance of consumer income to higher levels is a favorable underlying factor. The population old enough to smoke will show a larger annual increase in the years ahead than from 1955 to 1960. Also, the proportion of women smokers, which has been rising, will probably continue to increase.

In 1961, consumer expenditure for cigarettes (not including overseas personnel) is likely to be around \$6,970 million--about 410 million larger than that spent in 1960 (see table 4). The increased outlay mainly reflects the increased number of cigarettes bought and the higher prices in effect in some States because of advances in State cigarette taxes.

Cigarette consumption on a per capita basis is computed by dividing the total consumption figure by the population 15 years and over (including armed forces overseas). For 1961, the estimated number consumed per capita is a record 4,025 (201 packs of 20)--3 percent above 1960 and 14 percent above 10 years ago. (Average consumption per smoker would, of course, be considerably higher than the computed per capita figure.) The unstemmed tobacco equivalent of the cigarettes consumed per capita is estimated at 9.82 pounds, 2.7 percent above 1960 and the largest since 1953. The quantity of unstemmed tobacco used per 1,000 cigarettes had declined appreciably since 1953 largely due to: (1) the displacement of tobacco by filter plugs as filter tip cigarettes took over a much greater share of the market, and (2) the more complete utilization of tobacco leaves in the form of sheet tobacco and processed stems (midribs of leaves). However, preliminary indications are that in 1961 the use of unstemmed tobacco for cigarettes is increasing almost in line with the increase in number of cigarettes turned out.

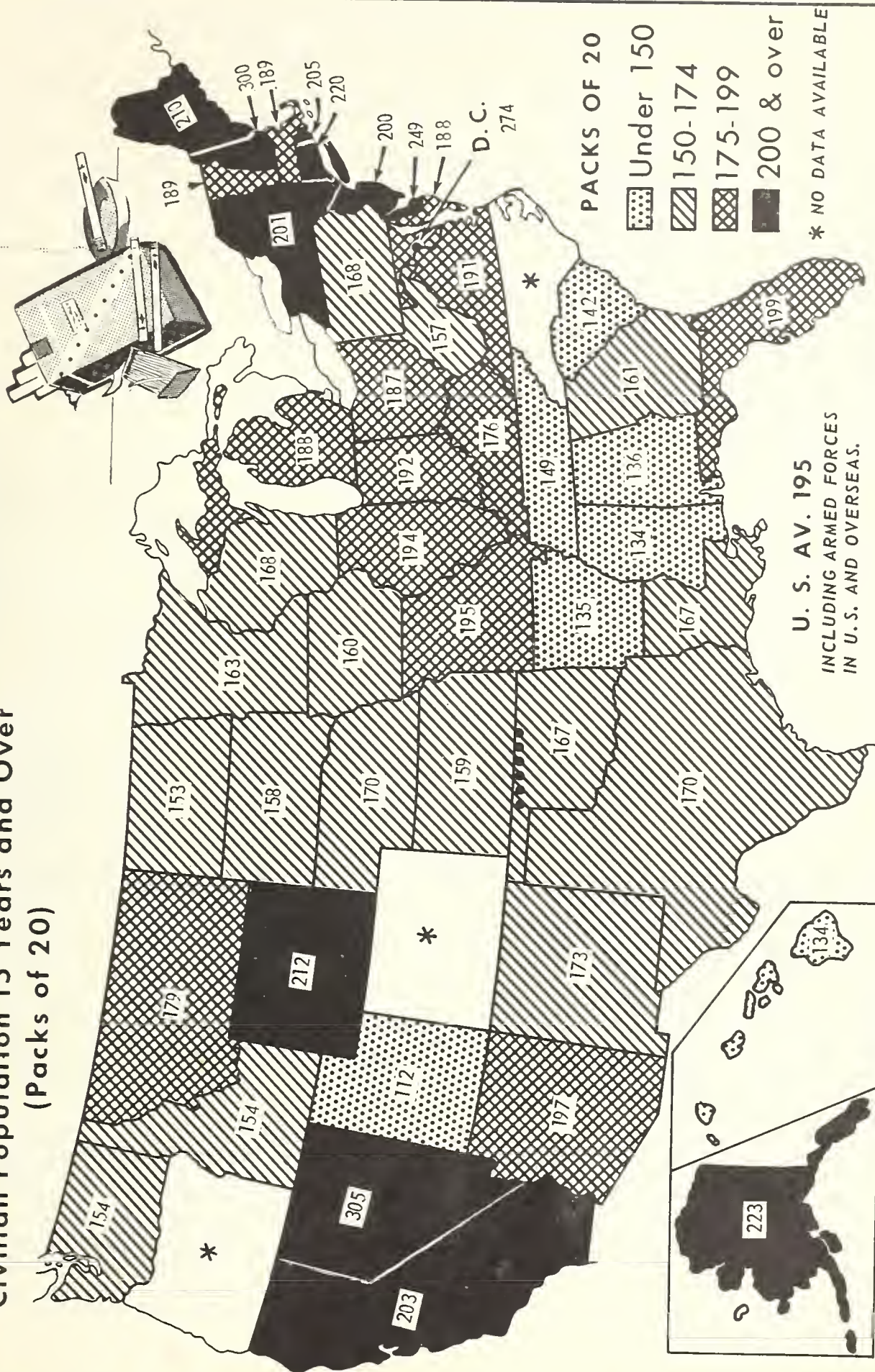
There is substantial variation in per capita consumption of cigarettes among States as is indicated in the map on page 9. The map shows the estimated 1960 number of packs (20 cigarettes per pack) consumed per civilian, 15 years and over, in 47 States and District of Columbia. The estimates for individual States are based on tax collections from State levies on cigarettes. Since North Carolina, Colorado, and Oregon do not tax cigarettes, no estimates are available for those 3 States. Variations in cigarette consumption among States reflect such influences as per capita income, distribution of income, rural-urban composition of the population, and socio-religious attitudes concerning smoking.

In most instances, these tax-based estimates can be considered to reflect fairly accurately the per capita consumption in individual States. For some States, such estimates probably do not represent satisfactory measures of actual consumption. This would be particularly true when a sizable population lives fairly close to State borders, and State lines are

CIGARETTE CONSUMPTION PER CAPITA 1960

Civilian Population 15 Years and Over

(Packs of 20)



STATE FIGURES BASED ON DATA FROM TOBACCO TAX COUNCIL AND CENSUS BUREAU

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crossed rather frequently for business, employment, visits or shopping. Cigarette purchasers will buy their cigarettes in the State levying the lower tax, since this is generally reflected in a lower retail price. Therefore, cigarette tax data would provide an overestimate of consumption in the lower-taxing State and an underestimate of consumption in the higher-taxing State. For example, in New Hampshire with a cigarette tax averaging $3\frac{1}{2}$ cents per pack in 1960, the tax-based estimate of civilian consumption is 300 packs per person 15 years and over. Bordering New Hampshire on the south is Massachusetts with a cigarette tax of 6 cents in 1960 and a tax-based estimate of civilian consumption of 189 packs per person 15 years and over. Another factor that tends to raise the figure for New Hampshire, and some other States as well, is the purchases of cigarettes by the numerous vacationers and tourists attracted to such areas.

Table 2.--Cigarette exports from the United States to leading destinations for specified periods

Country	Calendar year		Year ending June 30		January-July		
	Average: 1934-38	Average: 1955-59	1960 <u>1/</u>	1961 <u>1/</u>	1960 <u>1/</u>	1961 <u>1/</u>	1961 as percent- age of 1960
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Gibraltar (Br.)	28	30	953	1,929	1,015	941	93
Hong Kong	22	1,085	1,495	1,566	933	955	102
France	307	1,125	1,303	1,498	787	1,010	128
Singapore <u>2/</u>	3	794	1,002	1,232	746	786	105
Belgium	63	712	935	1,020	524	613	117
Neth. Antilles	105	545	864	895	583	464	80
Kuwait	---	436	689	882	463	553	119
Uruguay	8	162	192	746	112	552	493
Italy	34	410	550	705	300	439	146
Sweden	80	639	560	695	358	380	106
Morocco	12	1,869	1,538	364	287	229	80
Venezuela	39	2,164	1,221	2	115	neg.	---
Other countries <u>3/</u>	4,073	6,404	8,756	10,059	4,957	5,924	120
Total all countries	4,774	16,375	20,058	21,593	11,180	12,846	115

1/ Preliminary. 2/ Includes Federation of Malaya. 3/ Includes about 95 to 110 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

Table 3.--Tobacco products: Consumption per capita, 15 years and over, in the United States and by overseas forces for specified periods 1/

Year	Cigarettes	Large cigars and cigarillos	Cigarettes <u>2/</u>	Large cigars and cigarillos <u>2/</u>	Smoking, chewing, and snuff <u>2/</u>	Total tobacco products <u>2/ 3/</u>
	Number	Number	Pounds	Pounds	Pounds	Pounds
Average:						
1920-24	747	98.4	2.26	2.14	4.22	8.65
1925-29	1,180	83.0	3.40	1.92	3.68	9.02
1930-34	1,280	58.3	3.62	1.38	3.20	8.21
1935-39	1,642	56.0	4.65	1.34	2.72	8.71
1940-44	2,376	55.2	6.84	1.33	2.28	10.46
1945	3,223	52.3	9.15	1.26	2.04	12.45
1946	3,228	56.0	9.23	1.36	1.58	12.17
1947	3,203	52.4	9.16	1.29	1.50	11.95
1948	3,293	53.0	9.35	1.30	1.46	12.11
1949	3,275	50.8	9.33	1.16	1.44	11.93
1950	3,322	50.1	9.37	1.18	1.41	11.96
1951	3,530	51.4	9.99	1.19	1.31	12.49
1952	3,664	53.4	10.42	1.26	1.25	12.93
1953	3,562	53.6	10.47	1.26	1.18	12.91
1954	3,344	52.3	9.74	1.22	1.16	12.12
1955	3,392	52.1	9.59	1.20	1.16	11.95
1956	3,441	51.2	9.31	1.11	1.06	11.48
1957	3,536	52.0	9.32	1.09	1.01	11.42
1958	3,707	53.7	9.53	1.09	1.00	11.63
1959	3,815	57.0	9.42	1.10	.96	11.50
1960	3,904	56.8	9.56	1.08	.93	11.57
1961 <u>4/</u>	4,025	57.0	9.82	1.08	.92	11.82

1/ Includes Hawaii and Alaska for all years. 2/ Unstemmed processing-weight equivalent. 3/ Includes small cigars not shown separately, though for many years this amounts to less than 0.01 pounds. 4/ Preliminary estimate.

Cigarette exports in 1961 are estimated at over 22 billion--over a tenth more than in 1960 and the highest since 1948. During January-July, cigarette exports were up sharply to France, Belgium, Kuwait, Uruguay and Italy. Gibraltar, Uruguay and Spain have become important outlets for cigarette exports in the past year or two, but such formerly important outlets as Morocco took much less and Venezuela, practically none.

Table 4.--Disposable personal income, consumer expenditures for tobacco products, and percentages, 1939-61

Year	Dispos- able personal income	Consumer expenditures for tobacco products				Tobacco product expenditures as percentage of disposable personal income			
		Total	Ciga- rettes	Cigars	Other 1/	Total	Ciga- rettes	Cigars	Other 1/
		Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.	Pct.	Pct.	Pct.
1939	70,444	1,767	1,207	261	299	2.51	1.71	0.37	0.43
1940	76,076	1,883	1,316	265	302	2.48	1.73	.35	.40
1941	92,982	2,108	1,518	284	306	2.27	1.63	.31	.33
1942	117,516	2,381	1,773	305	303	2.03	1.51	.26	.26
1943	133,547	2,677	2,024	358	295	2.00	1.51	.27	.22
1944	146,761	2,717	2,025	402	290	1.85	1.38	.27	.20
1945	150,355	2,972	2,208	443	321	1.98	1.47	.30	.21
1946	160,569	3,478	2,656	542	280	2.17	1.65	.34	.18
1947	170,113	3,869	3,044	547	278	2.27	1.79	.32	.16
1948	189,300	4,155	3,319	548	288	2.19	1.75	.29	.15
1949	189,654	4,272	3,463	520	289	2.25	1.83	.27	.15
1950	207,655	4,432	3,626	514	292	2.13	1.74	.25	.14
1951	227,481	4,743	3,934	526	283	2.09	1.73	.23	.13
1952	238,714	5,153	4,326	545	282	2.16	1.81	.23	.12
1953	252,474	5,365	4,537	560	268	2.12	1.79	.22	.11
1954	256,885	5,218	4,406	552	260	2.03	1.72	.21	.10
1955	274,448	5,350	4,544	549	257	1.95	1.66	.20	.09
1956	292,942	5,638	4,843	553	242	1.92	1.65	.19	.08
1957	308,791	6,064	5,267	557	240	1.96	1.70	.18	.08
1958	317,924	6,400	5,564	581	255	2.01	1.75	.18	.08
1959	337,349	7,041	6,137	625	279	2.09	1.82	.19	.08
1960	351,823	7,493	6,560	645	288	2.13	1.86	.18	.08
1961	2/361,800	*7,910	*6,970	*650	*290	2.19	1.93	.18	.08

1/ Smoking, chewing, and snuff.

2/ Second quarter seasonally adjusted annual rate.

* Preliminary indication.

Basic data, except the 1961 tobacco expenditure estimates, United States Department of Commerce.

Cigars and Cigarillos

The estimated 1961 consumption of cigars and cigarillos is about 7,170 million--near 1.7 percent more than in 1960 and higher than in any year since 1923. In 1923, about 7,440 million cigars were consumed, of which 255 million were imported--seven-eighths of them from the Philippines and nearly all the rest from Cuba. This year all except about 22 million of those consumed by U. S. smokers will come from factories in the United States and Puerto Rico.

Cigar consumption is expected to continue to make gains in 1962. The advance to higher levels of personal income will be a favorable underlying factor. The elimination of State taxes on cigars in New York and Michigan in mid-1960 should also benefit cigar sales in these two populous States.

During the first half of 1961, about 45 percent of the cigars sold in the United States were priced to retail at not over 6 cents apiece. A substantial part of these were cigarillos, which are mostly priced at 4 or 5 cents each. About 49 percent of the total was priced to retail at from 6.1 to 15 cents apiece. Few if any cigarillos are in this price group but a sizable number in the lower part of the price range are intermediate-size cigars--not as large as the average full-size cigars. The remaining nearly 6 percent of the total were priced to retail for more than 15 cents apiece. A substantial part of those in this highest-price bracket are made exclusively from Cuban tobacco or have an all-Cuban tobacco filler. However, Cuban tobacco is also widely used as part of the filler blend for cigars in the other price brackets, and in blends of a large proportion of the cigarillos.

Cigars in the higher-priced brackets that utilize Cuban tobacco for the entire cigar--filler, binder and wrapper--are made in bonded manufacturing warehouses under the jurisdiction of the Bureau of Customs and also in some domestic factories under the jurisdiction of the Internal Revenue Service.

Puerto Rico is shipping increasing quantities of cigars to the mainland as factory capacity has expanded there. Imports of cigars from Cuba have declined sharply. During the first 7 months of 1961, less than 5 million came in compared with nearly 11 million in January-July 1960 and almost 15 million in January-July 1959. (The 1959 yearly total was 24 million, the peak year since 1945 when imports for consumption from Cuba totaled nearly 60 million.) Cigar imports from the Philippine Republic during January-July 1961 were above the corresponding period of 1960. For 1960 as a whole, cigars from the Philippine Republic totaled only 5½ million--the most since World War II, but still far below the prewar level of 189 million.

Cigars and cigarillo consumption per capita 15 years and over in 1961 is estimated at practically the same as in 1960 and 1959, though above other previous years back to 1942. (See table 3.) The corresponding poundage estimate--unstemmed leaf equivalent--has changed very little since 1956, but is noticeably lower than in years prior to then. Due to the increased proportion of cigarillos and intermediate-size cigars and the wide use of sheet binders in place of natural leaf binders, the tobacco leaf requirement per 1,000 cigars has declined.

Table 5.--Large cigars and cigarillos: Output and consumption for specified periods

Period	Domestic factories			Bonded	Shipments	Imports for		Exports	Total consump- tion 2/
	Manufac- tured	Removals		manufac- turing warehouse	from Puerto Rico to the United States	consumption			
		Tax-	Tax-			Total	From		
		able	exempt							1/	Cuba
				Taxable removals					
Average:	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
1935-39	5,075	5,060	13	66	29	192	3	8	5,352
1940-44	5,450	5,282	199	105	11	94	15	9	5,682
1945	5,275	4,774	469	82	97	60	60	2	5,480
1946	5,618	5,621	26	125	69	22	20	3	5,860
1947	5,488	5,460	41	124	8	12	9	19	5,626
1948	5,645	5,588	38	140	4	12	10	13	5,769
1949	5,453	5,399	46	142	4	11	10	3	5,599
1950	5,399	5,365	47	160	3/	12	11	2	5,582
1951	5,594	5,518	85	177	3/	14	13	3	5,791
1952	5,825	5,755	102	196	1	15	12	3	6,066
1953	5,915	5,820	90	205	9	17	13	6	6,135
1954	5,820	5,690	89	206	47	16	12	8	6,040
1955	5,776	5,688	82	227	83	20	15	6	6,094
1956	5,767	5,633	72	230	94	23	18	9	6,043
1957	5,903	5,757	79	238	122	26	20	9	6,213
1958	6,225	6,020	87	240	139	28	22	9	6,505
1959	6,608	6,470	103	247	144	31	24	5/10	6,985
1960	6,768	6,511	105	217	196	32	23	5/11	7,050
1961 4/	6,650	6,570	115	200	280	22	10	5/15	7,172
Fiscal year									
Year end- ing June									
1957	5,780	5,652	74	234	100	24	18	8	6,076
1958	5,952	5,838	80	238	131	26	21	10	6,303
1959	6,507	6,408	101	254	142	34	27	10	6,929
1960	6,786	6,456	100	241	153	27	20	5/11	6,966
1961 5/	6,500	6,383	111	182	250	26	18	5/14	6,938

1/ Predominant share of imports prior to 1942 came from Philippine Islands.

2/ Total removals from domestic factories plus cigars from bonded manufacturing warehouses, from Puerto Rico and imports minus exports.

3/ Less than a half million.

4/ Preliminary estimate.

5/ Subject to revision.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 6.--Cigars weighing not more than 3 pounds per thousand (approximately cigarette size): Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
	Millions	Millions	Millions	Millions
Average:				
1935-39	173.3	174.4	174.4	Neg.
1940-44	132.7	134.9	134.4	0.5
1945-49	88.6	89.0	89.0	Neg.
1950	68.9	69.2	69.1	.1
1951	69.2	68.6	68.2	.4
1952	67.1	67.4	66.9	.5
1953	58.3	56.9	56.7	.2
1954	61.2	62.9	60.3	2.6
1955	58.7	57.8	57.0	.8
1956	63.6	59.5	58.9	.6
1957	49.0	49.1	48.8	.3
1958	170.0	160.0	159.7	.3
1959	530.1	505.5	481.6	23.9
1960	148.7	158.7	141.9	16.8
1960 Jan.-July	87.8	86.7	74.2	12.5
1961 Jan.-July	86.3	82.4	78.0	4.4

Compiled from reports of Internal Revenue Service.

proportion of cigarillos and intermediate-size cigars and the wide use of sheet binders in place of natural leaf binders, the tobacco leaf requirement per 1,000 cigars has declined.

Efforts to perfect sheet tobacco for use as the outside wrapper of cigars are continuing and a few cigars are being marketed with such wrappers. Over the longer term, wrappers made in sheet form may have considerable impact on the production of the shade-grown wrapper tobacco types.

During the first 7 months of 1961, production of small cigars (cigarette size and not included in the cigar and cigarillo totals cited above) was slightly less than in the corresponding period of 1960. For 1961 as a

whole, output may be around 145 million, compared with 149 million in 1960 and 530 million in 1959. Though far below the short-lived boom level of 1959, the 1961 output will be about $2\frac{1}{2}$ times the 1954-58 average. Based on January-July data, exports of small cigars have declined but domestic consumption (taxable removals) was ahead of a year earlier.

Smoking Tobacco

Production of smoking tobacco in 1961 is estimated at near 75 million pounds--about $1\frac{1}{2}$ percent above 1960 and $2\frac{1}{2}$ percent above 1959. Estimated output is still about 1 million pounds below the recession year 1958, when output spurted 8 percent. Most of the increase in 1961 occurred in the first half of the year, and probably reflected recessionary influences.

In the 5 years following World War II, output of smoking tobacco was relatively stable at between 105 and 108 million pounds annually. Between 1950 and 1957, it fell steadily to $70\frac{1}{2}$ million pounds--a drop of more than a third. Although production has recovered from the low point reached in 1957, it is still about a fourth less than 10 years ago.

Appreciable increases in smoking tobacco consumption are not likely in view of the generally favorable outlook for consumer income. Per capita consumption of smoking tobacco per person, 15 years and over, is estimated at six-tenths of a pound (product weight) in 1961--1.7 percent more than in 1960. Ten years ago, per capita consumption was about nine-tenths of a pound. (See table 9.)

In the past several years, imports for consumption of manufactured tobacco (presumably entirely smoking tobacco) have increased sharply. From about 169,000 pounds, worth \$462,000 in 1957, these imports rose steadily to 918,000 pounds, worth \$1,180,000 in 1960. Imports have continued to gain, and in January-July 1961 amounted to about 691,000 pounds, a third higher than in the corresponding period of last year. The Netherlands and United Kingdom, as usual, were the chief suppliers. Total receipts for the year may exceed 1 million pounds and account for approximately $1\frac{1}{2}$ percent of total U. S. consumption of smoking tobacco.

According to the Bureau of Labor Statistics index, wholesale prices of smoking tobacco through July of this year held steady since January 1960, when they were advanced 3 percent.

Exports of packaged smoking tobacco are comparatively small in relation to total output, usually amounting to about 1 percent of production. In the first 7 months of 1961, exports of packaged smoking tobacco were a tenth below those a year earlier, but otherwise the largest for January-July since 1948. Canada, accounting for over a fourth of the total, cut takings by 20 percent. There were also substantial percentage reductions in exports to Denmark, France, and Sweden. But more than a year earlier went to Italy and Switzerland, and a significant quantity was exported to Liberia in contrast to none a year ago. Shipments to Belgium held about even.

Table 7.--Index numbers of tobacco consumption per capita, 15 years and over, in the United States and by overseas forces, 1925-60 1/

(1947-49=100)									
Year	Cigarettes		Large cigars		Smoking	Chewing	Snuff	Total	
	based on--		and cigarillos						
	based on--		based on--						
	Number	Pounds	Number	Pounds					
		<u>2/</u>		<u>2/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>2/ 4/</u>	
1925	31	32	166	158	216	301	127	75	
1926	34	34	164	158	210	294	127	75	
1927	36	37	159	153	198	275	130	75	
1928	39	38	155	151	189	262	130	74	
1929	42	42	153	147	187	249	127	77	
1930	42	41	137	133	193	224	124	74	
1931	40	39	123	121	211	194	122	70	
1932	35	35	100	98	220	155	108	64	
1933	38	38	97	98	218	146	108	65	
1934	42	42	102	102	214	145	108	69	
1935	44	44	103	103	211	144	105	68	
1936	50	50	110	111	210	142	108	73	
1937	52	52	111	111	202	140	105	74	
1938	52	51	106	104	211	128	105	73	
1939	54	53	107	105	211	121	105	74	
1940	56	56	108	108	211	118	103	76	
1941	64	64	113	113	199	121	105	82	
1942	74	76	113	112	172	129	108	89	
1943	84	86	101	102	154	131	114	95	
1944	87	87	94	97	140	139	108	93	
1945	99	99	100	101	164	128	111	104	
1946	99	99	107	109	102	121	100	101	
1947	98	99	101	103	99	105	97	100	
1948	101	101	102	104	101	101	100	101	
1949	101	101	98	93	100	94	100	99	
1950	102	101	96	94	97	92	97	100	
1951	108	108	99	95	91	88	95	104	
1952	112	112	102	101	86	87	92	108	
1953	109	113	103	101	77	85	92	108	
1954	103	105	100	98	74	81	89	101	
1955	104	103	100	96	70	78	89	100	
1956	106	100	98	89	62	74	86	96	
1957	109	100	100	87	61	69	81	95	
1958	114	103	103	87	65	66	78	97	
1959	117	102	109	88	62	65	73	96	
1960	120	103	109	86	61	61	76	96	
1961 5/	124	106	109	86	62	59	73	99	

1/ Underlying data on which these index numbers are based include Hawaii and Alaska for all years. 2/ Unstemmed processing weight equivalent. 3/ Based on finished product weight. 4/ Includes small cigars not shown separately. 5/ Preliminary estimate.

Table 8.--Output of manufactured tobacco in the United States for specified periods

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	83.7	36.9	4.9	2.9	36.6	81.3	38.5
1955	80.0	36.5	4.5	3.0	36.0	80.0	39.2
1956	71.5	33.0	4.3	2.9	35.5	75.7	37.7
1957	70.5	31.6	4.0	2.8	34.0	72.4	36.1
1958	76.0	29.6	3.8	2.9	33.0	69.3	34.8
1959	73.2	28.6	3.6	3.0	33.0	68.2	34.3
1960	73.8	26.4	3.4	3.1	32.0	64.9	34.6
1961 <u>1/</u>	75.0	25.3	3.2	3.2	32.2	63.9	33.5
Fiscal year							
Year ending June							
1957	68.9	32.3	4.1	2.8	34.3	73.5	36.5
1958	75.0	30.2	3.9	2.8	33.3	70.2	34.8
1959	74.8	29.5	3.6	3.0	32.5	68.6	34.6
1960	73.8	27.5	3.6	3.1	32.7	66.9	35.3
1961 <u>2/</u>	74.9	26.0	3.3	3.1	32.6	65.0	33.8

1/ Preliminary estimate. 2/ Subject to revision.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

Table 9.--Selected tobacco products: Consumption per capita, 15 years and over, in the United States and by overseas forces for specified periods 1/

(Finished-product weight)			
Year	Smoking	Chewing	Snuff
	Pounds	Pounds	Pounds
Average:			
1920-24	2.07	2.78	0.50
1925-29	1.94	2.35	.47
1930-34	2.05	1.47	.42
1935-39	2.03	1.15	.39
1940-44	1.70	1.08	.40
1945	1.59	1.09	.41
1946	.99	1.03	.37
1947	.96	.89	.36
1948	.98	.86	.37
1949	.97	.80	.37
1950	.94	.78	.36
1951	.88	.75	.35
1952	.83	.74	.34
1953	.75	.72	.34
1954	.72	.69	.33
1955	.68	.66	.33
1956	.60	.63	.32
1957	.59	.59	.30
1958	.63	.56	.29
1959	.60	.55	.27
1960	.59	.52	.28
1961 <u>2/</u>	.60	.50	.27

1/ Includes Hawaii and Alaska for all years. 2/ Preliminary estimate.

Much of the manufactured tobacco reported in the export classification as bulk smoking tobacco is not included in the output figures reported by the Internal Revenue Service. This export category includes specially prepared cigarette tobacco, cut and granulated tobacco, partially processed blended tobacco and shredded tobacco. Annual exports of bulk smoking usually ranged between 1 and 2 million pounds just before and just after World War II, but more recently ranged from about $4\frac{1}{2}$ million to the record $8\frac{1}{2}$ million in 1959. In January-July 1961, exports of bulk smoking tobacco jumped 23 percent above those in the comparable period of 1960. The increase was attributable to shipments of 1.2 million pounds to Spain, in contrast to none during 1960. The exports to Spain--comprising over a fifth of the total--represented foreign currency sales under P. L. 480. Switzerland was the second ranking market, taking over 3 times as much as in

January-July 1960. On the other hand, exports to Venezuela dropped nearly a fourth, and less than a year earlier also went to Panama, Mexico, Dominican Republic, Haiti, Bolivia, and Australia.

Chewing Tobacco

Production of chewing tobacco in 1961 will probably be near 64 million pounds--down about 1 million pounds or $1\frac{1}{2}$ percent from 1960. The decline is expected to be less than in 1960, when production fell $3\frac{1}{3}$ million pounds or 5 percent below 1959. Chewing tobacco has been trending downward for many years, and a further gradual decline in total output is likely in the years ahead.

The two major categories of chewing tobacco are scrap and plug chewing, which made up 49 percent and 41 percent, respectively, of 1960 output of all chewing. Twist and fine-cut made up the other 10 percent. Of the major categories, scrap chewing utilizes substantial quantities of the Wisconsin cigar binder types and some Pennsylvania tobacco, while plug chewing mainly utilizes burley and dark air-cured tobacco. The decline in plug chewing has been greater than that in scrap chewing. Between 1950 and 1960, total chewing tobacco production declined by an average of 2.9 percent a year. The average rate of decline in this period was 4.1 percent for plug and 2.0 percent for scrap. Plug has continued to decline in 1961, but output of scrap has been running a little above 1960. Fine-cut, which tended to be fairly stable since 1950, has edged up in the last few years. However, output of twist trended downward by an average of 4.7 percent in the 1950-60 period and is expected to show a further decline this year.

The 1961 consumption of chewing tobacco per person 15 years and over is estimated at nearly 4 percent less than in the preceding year. The 1961 figure is about one-third below per capita consumption 10 years ago (See table 9.)

According to the Bureau of Labor Statistics wholesale price index, manufacturers' prices of plug chewing through July 1961 have been unchanged since March 1959.

All except a small proportion of chewing tobacco production is consumed in this country. Exports--mainly twist and plug--ranged between 1 and about 2 million pounds in most recent years, but dropped off to less than 800,000 pounds in 1960. In January-July 1961, exports of chewing tobacco were 9 percent above those a year earlier. Australia, accounting for 80 percent of the total, took a fifth more than in the same months a year ago. On the other hand, substantially less went to Panama.

Snuff

Production of snuff in 1961 is estimated at near $33\frac{1}{2}$ million pounds--about 1 million pounds or 3 percent below 1960 and probably the smallest since 1917. Ordinarily highly stable, annual snuff output dropped steadily in the 4 years, 1956-59, but gained slightly in 1960. It is still too early to tell whether the estimated decline in 1961 indicates a resumption of the recent downward drift. Snuff output in the coming year may be near the 1961 level.

Nearly all the snuff produced is consumed in this country--mainly in the southern and northwestern United States and by persons in occupations where smoking is hazardous or inconvenient. Snuff consumption for many years tended to remain stable in the aggregate, although declining on a per capita basis as population increased. The 1961 per capita consumption of persons 15 years and over is estimated at about $3\frac{1}{2}$ percent less than in 1960 and 23 percent less than 10 years ago. (See table 9.)

According to the Bureau of Labor Statistics index, wholesale prices of snuff advanced successively in May, June, and July. Previously, manufacturers' prices had remained stable since mid-1957. The wholesale price index for July 1961 was 6 percent higher than a year earlier.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of unmanufactured tobacco in calendar 1961 are expected to be around 480 million pounds--approximately 3 percent lower than in 1960. Tobacco exports in the 1950-59 period averaged 487 million pounds. For the 1961-62 marketing year, exports of tobacco may also be below those in 1960-61, when they were the largest in 5 years.

In the first 8 months of 1961, total exports of tobacco were 5 percent ahead of those in the corresponding period of 1960. However, shipments in the last third of this year are expected to be below the unusually large total of September-December 1960. Last year's November exports were the second largest on record.

While several factors continue to favor U. S. tobacco exports, these are offset by unfavorable influences which have been intensified by recent developments. Among the favorable factors are the high level of industrial activity and increasing cigarette consumption abroad, relatively high gold and dollar reserves in several important markets, and the changed method of determining support prices for U. S. tobacco, which tends to moderate advances in the support levels. Adverse factors, on the other hand, are increased competition from expanded production abroad, trade barriers of various forms in many areas, and the improved stocks position of some major importing countries. Also of concern to U. S. tobacco growers and exporters are the recent developments in the United Kingdom--single largest foreign market for our tobacco. In line with a broad economic program to improve Britain's balance of payments and to strengthen the pound sterling, the duty on imported tobacco was increased 10 percent in July. (See page 31.) This austerity measure may reduce home consumption and thus adversely affect our tobacco exports to our largest single overseas market.

Of even greater concern from a longer-range standpoint is Britain's application for entry into the European Common Market. Negotiations may get

1/ Quantities of tobacco in this section are stated in terms of export weight which is less than the equivalent farm-sales weight.

Table 10.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)								
Country and type	Calendar year			Year ending June 30		January-July		
	Average	Average	Average	1960	1961	1960	1961	1961 as
	1924-23	1934-38	1955-59	1/	1/	1/	1/	percentage of 1960
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	2/324.0	324.9	413.2	368.7	415.1	122.6	138.4	113
Burley	8.9	11.6	28.4	33.2	32.7	16.9	14.9	88
Maryland	14.3	5.5	12.1	13.0	12.0	5.3	4.9	92
Va. Fire-cured and sun-cured	22.6	9.7	4.7	4.7	5.8	2.4	3.1	141
Ky. and Tenn. fire-cured	2/126.6	53.7	21.0	17.5	19.6	8.4	9.2	110
Green River	15.8	3.0	1.3	.8	.5	.7	.4	57
One Sucker	3/	.7	2.0	.9	.5	.2	.3	150
Black Fat, etc.	2/2.0	9.0	4.9	5.2	4.4	2.8	2.7	96
Cigar wrapper	)			3.4	3.1	2.1	2.4	114
Cigar binder	) .8	1.3	7.6	2.1	2.7	.8	1.6	200
Cigar filler	)			.8	.2	.5	.1	20
Perique	2/.1	.1	.1	.1	.1	.1	.1	100
Stems, trimmings, and scrap	12.0	17.8	4.5	6.2	7.6	1.4	1.9	136
Total	527.1	437.3	499.8	456.6	504.3	164.2	180.0	110
Country of Destination:								
United Kingdom	164.8	213.9	161.4	140.1	167.3	22.1	11.9	54
France	34.6	21.0	7.2	5.7	5.9	3.3	4.0	121
Belgium	21.1	15.5	19.7	18.9	19.4	8.6	8.6	100
Netherlands	31.5	15.6	28.7	26.2	35.2	13.0	7.2	55
Germany, W. & E.	34.0	12.8	68.7	68.0	67.1	40.0	41.2	103
Portugal	4.4	4.8	6.8	6.7	8.2	5.7	4.4	77
Denmark	5.2	4.6	13.0	13.5	13.9	5.9	7.8	132
Ireland	3.8	7.4	11.0	11.9	13.7	3.6	5.4	150
Switzerland	2.8	3.8	12.1	12.1	11.2	5.2	5.4	108
Norway	4.1	4.7	7.6	7.1	7.7	4.0	4.0	100
Sweden	4.7	7.2	12.5	10.5	19.6	1.7	3.8	224
Italy	7.8	1.1	6.9	7.5	5.5	4.7	6.5	138
Thailand	.9	1.6	9.5	8.6	7.4	3.2	9.2	288
Australia	21.5	18.4	27.9	23.2	18.2	8.3	8.2	99
India	) 5.4	2.6	2.4	.5	2.1	.6	2.0	333
Pakistan	)		1.9	1.2	1.6	1.0	.8	80
New Zealand	.6	2.5	6.9	4.6	6.7	2.4	4.5	188
Philippine Rep.	.5	1.2	6.6	4.5	1.2	1.0	.8	80
Indonesia	5.8	2.0	8.7	1.8	2.3	.2	2.4	---
Egypt	71.3	1.1	9.6	17.0	13.1	1.3	1.6	123
Japan	1.1	7.3	9.9	12.7	17.2	5.4	4.4	81
Other countries	4/101.2	4/88.2	60.8	54.3	59.8	23.0	35.9	155
Total	527.1	437.3	499.8	456.6	504.3	164.2	180.0	110

1/ Preliminary.

2/ Partially estimated.

3/ Less than 50,000 pounds.

4/ China averaged 93 million pounds in 1924-28 and 48 million in 1934-38

Compiled from publications and records of the Bureau of the Census.

under way in October. While numerous problems will have to be resolved, of most concern to U. S. tobacco growers and exporters will be decisions regarding treatment to be accorded Britain's Commonwealth partners--Rhodesia-Nyasaland, Canada and India. Should tobacco from these countries gain entry to the Common Market on a preferential tariff basis, the competitive position of U. S. tobacco would be seriously affected. The 6 present members of the Common Market--West Germany, Netherlands, Belgium, Luxembourg, France and Italy--together took over a fourth of our total exports in the year ended June 30, 1961, and as a group rank second only to the United Kingdom as a foreign market for our leaf. In the Common Market, tobacco from Italy--a surplus producer--and from several associated overseas territories of member countries now enjoy a 20-percent lower duty than U. S. and other external tobaccos, and the aim is eventually to eliminate all duties on tobacco of Common Market origin. Greece has joined the Common Market, subject to ratification by the governments concerned, and Turkey is negotiating for membership. These two countries are the world's third and fourth largest exporters of tobacco. Denmark and Ireland have also applied for membership in the Common Market, and Norway is considering making application; all three of these countries are important markets for U. S. tobacco.

Bearing on the future of U. S. exports, too, is whether the use of maleic hydrazide (MH-30) will deter foreign buyers from buying U. S. leaf, if sufficient suitable leaf becomes available from other countries which ban the use of sucker control chemicals.

In the year ended June 30, 1961, about 41 million pounds of tobacco were shipped under Title I, Public Law 480--8 percent of total exports. The previous year's exports under Title I were about 42 million pounds, 9 percent of the total. Peak exports under Title I were made in 1955-56, when 79 million pounds were shipped. (See table 11.)

From the beginning of the Title I program in 1954-55 through June 30, 1961, agreements had been signed with 24 countries and authorizations issued for about 316 million pounds, worth approximately \$232 million. Actual shipments under these authorizations in the past 7 fiscal years totaled 295 million pounds, valued at about \$212 million. Remaining to be shipped under existing authorizations are about 21 million pounds. It is expected that additional authorizations will be issued under new agreements that are currently being negotiated.

Sales for foreign currency are made under Title I of the Agricultural Trade Development and Assistance Act (referred to as Public Law 480). The law specifies that reasonable safeguards be taken that sales for foreign currencies do not displace usual marketings for dollars. On August 8, the President approved the Agricultural Act of 1961, which provides for a 3-year extension--until December 31, 1964--of Title I, P. L. 480. Also authorized in the recent legislation are \$4½ billion for Title I sales of surplus agricultural commodities during the 3-year period, the maximum in any one year limited to \$2½ billion.

Increasing in importance are exports of tobacco under Title III, P.L. 480, which authorizes barter of surplus agricultural commodities for strategic and other materials produced abroad. In the year ended June 30, 1961, 43 million pounds of tobacco valued at about \$27 million moved out under the program.

Table 11.--Tobacco exports under Government-financed programs,
fiscal years 1955-61

Year ending June 30	Public Law 480			Mutual Securi- ty Act	Total under Govern- ment financed programs	Total unmanu- factured tobacco exports	Exports under Government- financed pro- grams as per- centage of total exports
	Title I, foreign currency sales	Title III, barter sales	Total				
Quantity (export weight)							
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
1955	5.4	---	5.4	22.0	27.4	461.6	5.9
1956	78.9	---	78.9	3.5	82.4	577.7	14.3
1957	52.3	---	52.3	.8	53.1	500.7	10.6
1958	34.5	0.5	35.0	---	35.0	472.3	7.4
1959	41.0	1.5	42.5	5.7	48.2	473.3	10.2
1960	41.9	29.4	71.3	23.2	94.5	456.6	20.7
1961	40.9	43.0	83.9	20.0	103.9	504.3	20.6
Value							
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.
1955	4.0	---	4.0	11.4	15.4	306.4	5.0
1956	55.8	---	55.8	1.6	57.4	379.5	15.1
1957	36.3	---	36.3	.7	37.0	340.1	10.9
1958	25.5	0.4	25.9	---	25.9	342.9	7.6
1959	30.5	1.0	31.5	2.8	34.3	350.2	9.8
1960	30.9	19.6	50.5	18.4	68.9	341.9	20.2
1961	29.5	27.2	56.7	16.5	73.2	385.1	19.0

Table 12.--Tobacco exports under P. L. 480, Title I program and totals
by countries, fiscal years 1957-61 1/

(Export weight)										
Country	July 1956- June 1957 exports		July 1957- June 1958 exports		July 1958- June 1959 exports		July 1959- June 1960 exports		July 1960- June 1961 exports	
	P. L. 480, Title I:	Total	P. L. 480, Title I:	Total	P. L. 480, Title I:	Total	P. L. 480, Title I:	Total	P. L. 480, Title I:	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Austria	0.3	3.4	1.8	3.9	0	5.3	0	1.2	0	2.7
Brazil	0	3.2	0	.1	.1	.1	.1	.1	0	<u>2/</u>
Burma	1.1	1.1	1.3	1.3	.1	.1	.4	.5	.7	.7
Chile	.3	.3	0	.2	0	.3	0	.4	.7	1.3
Colombia <u>3/</u>	0	.3	.1	.7	.4	1.1	.2	.7	.5	.8
Ecuador <u>4/</u>	.1	.3	.2	.2	0	.3	0	.3	0	.4
Finland	5.8	6.9	2.0	2.0	5.7	7.1	4.1	5.4	4.3	8.6
France	3.1	7.2	4.5	7.8	4.1	6.5	1.5	5.7	3.4	5.9
Iceland <u>5/</u>	0	.4	.5	.6	.6	.7	.5	.7	.5	.6
India	0	2.3	3.3	3.7	2.7	2.7	.5	.5	2.0	2.1
Indonesia	18.1	18.1	5.0	6.7	0	1.6	.2	1.8	2.4	2.4
Israel	0	.3	.2	.4	.3	.3	0	.3	.3	.4
Italy	7.1	9.6	.6	1.2	9.8	12.8	3.8	7.5	0	5.5
Japan	3.2	7.0	0	4.7	0	13.0	0	12.7	0	17.2
Korea	2.4	2.4	0	0	0	0	0	0	0	0
Pakistan	3.3	4.5	0	.1	0	.3	0	1.2	1.6	1.6
Poland	0	.1	0	.2	0	0	0	0	1.9	1.9
Spain <u>6/</u>	5.0	6.3	6.4	6.7	4.4	4.4	6.9	7.4	4.3	5.6
Taiwan	2.0	2.9	0	.7	2.0	3.3	2.9	3.2	2.1	2.3
Thailand	.5	8.8	2.3	14.6	0	9.6	0	8.6	0	7.4
U. A. R. (Egypt)	0	8.6	0	6.6	0	4.0	14.2	17.0	10.2	13.1
U. Kingdom	0	148.4	6.3	164.9	0	151.2	0	140.1	0	167.3
Uruguay <u>4/</u>	0	4.3	0	.5	1.9	3.1	5.1	5.1	0	3.7
Viet Nam <u>7/</u>	0	7.6	0	2.7	8.9	8.9	1.5	1.5	<u>8/</u> 6.0	5.4
Total, above countries	52.3	254.3	34.5	230.5	41.0	236.7	41.9	221.9	40.9	256.9
Total, all countries <u>9/</u>		500.7		472.3		473.3		456.6		504.3

1/ In addition to these Title I exports, shipments under Title III barter contracts were as follows: 1957-58, 0.5 million pounds; 1958-59, 1.5 million; 1959-60, 29.4 million; 1960-61, 43.0 million. 2/ Less than 50,000 pounds. 3/ Mainly tobacco in cigarettes. 4/ Includes smoking tobacco in bulk form. 5/ Mainly tobacco in cigarettes and packaged smoking tobacco. 6/ Includes smoking tobacco in bulk, and in the last 2 years, cigarettes. 7/ Prior to January 1, 1958, Viet Nam-Laos-Cambodia. 8/ P.L. 480 exports exceed Census-reported total probably because of difference in cut-off date of reporting periods. 9/ Unmanufactured tobacco.

(See table 11). Total exports under P. L. 480 programs in 1960-61 thus totaled 84 million pounds--about one-sixth of all unmanufactured tobacco exports. The bulk of the Title III exports went to the United Kingdom. Sizable quantities also went to West Germany and Belgium, and lesser quantities to Finland, Ireland, France, Denmark and Netherlands.

In addition to the P. L. 480 programs, exports of tobacco have been made under another Government-financed program--Section 402, Mutual Security Act of 1954, administered by the International Cooperation Administration. Under this program, tobacco is exported by "triangular" arrangement. U. S. tobacco is sold for dollars provided by ICA, but the country of destination makes available an equivalent amount of its local currency to a third country which is receiving economic assistance from the United States. In the year ended June 30, 1961, 20 million pounds of tobacco valued at \$16½ million were exported under this program (table 11). The United Kingdom received \$15 million worth of this tobacco, and Italy, most of the remainder. However, under recently-enacted economic aid legislation, no funds were specifically earmarked for continuation of the Section 402 program.

Foreign Producing and Exporting Countries

The principal foreign countries with exportable surpluses of flue-cured tobacco are the Federation of Rhodesia and Nyasaland, Canada, and India. Turkey and Greece are the main producers and exporters of oriental tobacco. Flue-cured is the most important kind of tobacco entering world trade, accounting for over two-fifths of world trade in unmanufactured tobacco. Oriental tobacco--also principally used in cigarettes--provides around a fourth of total leaf entering world trade.

The flue-cured crop harvested in early 1961 in Rhodesia-Nyasaland is estimated at 246 million pounds, over a tenth larger than in the preceding year and the largest on record. In the main producing area of Rhodesia, the average yield at 1,081 pounds per acre was the highest ever obtained; as recently as 1958-59 the average yield was 886 pounds. The Rhodesia Tobacco Association has asked growers to maintain the present acreage, but to increase production by further raising yields. During the current marketing season through September 14, 224 million pounds of Rhodesian tobacco were sold at the Salisbury auctions, at an average price equivalent to 40.0 U. S. cents. In the corresponding sales period a year ago, 216 million pounds were sold at an average of about 40.1 U. S. cents. By early September, purchases by United Kingdom buyers totaled 104½ million pounds, while Australian purchases amounted to approximately 7-1/3 million. The target for United Kingdom purchases of 1961 Rhodesian flue-cured was 95 to 100 million pounds.

In the first 6 months of 1960, the Federation exported 88 million pounds of tobacco, of which 76 million were flue-cured, and most of the remainder, dark fire-cured. Shipments of flue-cured were 30 percent above those in the comparable period of 1960, when the sales season started 3 weeks later. As usual, the

Table 13.--Production of flue-cured and oriental tobacco in specified countries for specified periods

Country	Year of harvest					
	Average	Average	1958	1959	1960	1961
	1935-39	1953-57				<u>1/</u>
	Million	Million	Million	Million	Million	Million
	pounds	pounds	pounds	pounds	pounds	pounds
Flue-cured						
Canada	54.6	144.8	181.3	152.4	205.5	176.2
India	26.9	128.6	105.3	136.6	138.9	133.0
Rhodesia-Nyasaland	28.4	142.7	156.0	195.2	222.4	246.1
Total, countries shown	109.9	416.1	442.6	484.2	566.8	555.3
Oriental						
Greece	132.8	183.9	185.8	175.7	143.3	166.2
Turkey	128.1	247.2	252.7	281.0	297.8	278.5
Total, countries shown	260.9	431.1	438.5	456.7	441.1	444.7

1/ Preliminary

Compiled from reports of Foreign Agricultural Service.

United Kingdom was the principal market, accounting for over half of the total; takings were up by 26 percent. Other Commonwealth areas accounted for about a sixth of the total. Exports to West Germany amounted to 10 million pounds, and to the Netherlands, 3 million. These shipments were up 44 percent and 48 percent, respectively, from a year earlier. Belgian takings of approximately 2½ million pounds were moderately less than in January-June 1960. Other West European countries receiving significant quantities of Rhodesian flue-cured were Denmark, Norway, Switzerland, and Sweden. Exports to Japan were about a half-million pounds, in contrast with less than 50,000 pounds a year earlier.

Canadian production of flue-cured in 1961 is estimated at 176 million pounds--14 percent below the 1960 record crop. Acreage is estimated to be down a little, and the average yield will also be smaller than last year. The average price of the 1960 flue-cured crop was 54.6 Canadian cents a pound, second only to the record 55.4 cents received in the previous year. In January-April 1961, Canada exported 31 million pounds of tobacco (nearly all flue-cured)--15 percent more than in the corresponding period of 1960. The United Kingdom was the market for nearly 96 percent of the total, and around half of the rest went to other Commonwealth destinations.

India's 1961 flue-cured crop is placed at around 133 million pounds--4 percent below 1960. Exports of flue-cured in January-March 1961 at 27½ million pounds were 67 percent larger than in January-March 1960. The United Kingdom more than doubled takings, and accounted for almost nine-tenths of the total.

In Turkey, the 1961 oriental tobacco crop is estimated at 278 million pounds--6 percent less than peak production the previous year. Exports in the first 6 months of 1961 were 83 million pounds--a tenth above the comparable period of 1960. The United States, leading outlet, took a fifth more than a year earlier. Egypt and Switzerland also took more than in January-June 1960, but Czechoslovakia and Finland took less.

The 1961 production of oriental tobacco in Greece, estimated at 166 million pounds, is about a sixth larger than the 1960 crop which was the smallest in 7 years. Although an outbreak of blue mold in the northern part of the country caused some damage, both acreage and the average yield are estimated to be higher than last year. Exports in the first 6 months of 1961 at 49 million pounds were over an eighth larger than in the like period of 1960. The United States was the first ranking outlet and took 13 percent more than a year earlier. Consignments to West Germany, usually the leading market for Greek tobacco, dropped over a fourth. Among other countries of destination, more than in the first half of 1960 went to Hungary, Finland, East Germany, Czechoslovakia, Belgium, Portugal, Egypt and Spain, but less to Soviet Union, Poland, and Austria. A recent trade pact reportedly provides for purchases of about \$1 million of Greek tobacco by Japan. In the past, exports of Greek tobacco to the Far East have been relatively small.

British Tobacco Situation.

The United Kingdom is the world's largest importer of tobacco and the largest single market for U.S. leaf. Tobacco is imported both for home consumption and for export--largely as manufactured cigarettes. Flue-cured is the principal kind of tobacco imported, and goes chiefly into cigarettes--by far the predominant form of tobacco use, with smoking tobacco next in importance. Cigars and snuff comprise a very minor part of total consumption. Consumption of cigarettes in Britain has been gaining steadily; between 1950 and 1960 the yearly rate of gain averaged about 2½ percent. Filter-tip cigarettes last year are estimated to have comprised about 16 percent of total cigarettes smoked, compared with less than 3 percent in 1956.

In the United Kingdom, gross clearances of tobacco from bond are a measure of total use by manufacturers, both for domestic consumption and export. Since 1952, gross clearances have increased steadily by quantities ranging from 2 to 8 million pounds a year. In 1960, gross clearances at 319 million pounds were 1 percent above the previous year. In the first half of 1961, they rose another 1 percent. The gain was mainly in home consumption, although exports of tobacco were moderately above those in the same months of 1960, in contrast to a declining trend evidenced in recent years. Exports of cigarettes, which usually comprise around nine-tenths of Britain's exports of manufactured tobacco, rose about 3 percent; the percentage gain in other tobacco products was considerably greater. Of Commonwealth destinations, fewer cigarettes were exported to Malaya and

Table 14.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports <u>1/</u>			Stocks Dec. 31	Gross clearances from bond <u>3/</u>			Exports of manu- factured tobacco	Re- exports of unmanu- factured tobacco
	From U. S. <u>2/</u>	From Common- wealth coun- tries <u>2/</u>	Total		Non- prefer- ential <u>2/</u>	Prefer- ential <u>2/</u>	Total		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average									
1934-38	213	57	275	497	185	47	232	39	12
1939-45	182	63	255	310	215	62	277	27	5
1946	366	62	433	383	261	61	322	55	7
1947	201	82	296	384	235	57	292	52	1
1948	172	97	281	390	204	67	271	45	1
1949	154	119	302	419	190	81	271	47	2
1950	144	146	306	445	180	91	271	43	4
1951	212	131	355	498	183	104	287	51	7
1952	67	143	224	430	172	108	280	47	12
1953	174	127	316	452	167	116	283	45	9
1954	160	139	312	468	168	122	290	41	4
1955	179	149	344	507	173	125	298	44	4
1956	160	146	318	523	173	127	300	45	3
1957	168	141	319	532	169	135	304	41	3
1958	164	145	316	534	172	138	310	41	2
1959	140	157	301	515	171	144	315	34	2
1960 <u>4/</u>	177	180	362	548	166	153	319	31	5
Jan.-July									
1957	40	76	121	5/462	6/85	6/68	6/153	24	2
1958	41	79	125	5/469	6/87	6/69	6/156	24	1
1959	24	88	115	5/470	6/85	6/70	6/155	20	1
1960	32	94	129	5/457	6/84	6/77	6/161	19	4
1961	19	105	126	5/487	6/84	6/79	6/163	19	1

1/ Unmanufactured tobacco.2/ Since 1946 the full duty rate on tobacco from the United States and other non-preferential areas has been 2.4 to 2.9 percent above the preferential rate on tobacco from Commonwealth areas. In the prewar period, at a much lower level, the full duty rate was over 25 percent above the preferential rate.3/ Largely withdrawals for manufactures for home use and export.4/ Subject to revision.5/ June 30.6/ January-June.

Compiled from the Annual Statement of Trade and Accounts Relating to Trade and Navigation
of the United Kingdom.

Table 15.--Unmanufactured tobacco imports into the United Kingdom from major sources, average 1935-39, annual 1948-61

Year ending June 30	United States	Rhodesia and Nyasaland	India	Canada	Turkey	Greece	Other	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1935-39	210.6	28.4	18.1	12.3	0.6	0.6	4.5	275.1
1948	130.7	46.0	21.8	13.1	1.2	.1	2.6	215.5
1949	147.5	56.3	32.5	13.0	25.4	5.6	3.9	284.2
1950	162.4	64.9	46.6	15.0	13.7	1.3	5.5	309.4
1951	146.7	82.6	42.1	20.2	1.9	1.0	6.9	301.4
1952	223.1	62.0	43.8	36.2	1.9	1.2	10.8	379.0
1953	105.0	74.0	32.3	12.4	1.2	.8	14.7	240.4
1954	127.4	69.4	34.0	32.3	2.1	1.0	14.6	280.8
1955	151.9	82.7	36.1	40.2	3.5	1.6	10.9	326.9
1956	208.5	60.8	40.2	21.1	3.3	1.9	9.7	345.5
1957	148.6	91.6	36.0	30.4	2.2	.1	7.5	316.4
1958	162.1	78.4	45.6	21.8	2.2	1.4	5.7	317.2
1959	157.7	73.2	47.2	28.8	.3	.2	7.0	314.4
1960	147.5	90.9	39.6	32.1	.1	.3	6.9	317.4
1961	165.6	105.2	44.8	36.3	.4	.3	7.0	359.6
Percentage change								
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1950 to 1961	2.0	62.1	-3.9	142.0	-97.1	-76.9	27.3	16.2
1960 to 1961	12.3	15.7	13.1	13.1	300.0	0	1.4	13.3
Percentage distribution								
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Average 1935-39	76.6	10.3	6.6	4.5	0.2	0.2	1.6	100.0
1948	60.6	21.3	10.1	6.1	.6	---	1.3	100.0
1949	51.8	19.8	11.4	4.6	8.9	2.0	1.5	100.0
1950	52.5	21.0	15.1	4.9	4.4	.4	1.7	100.0
1951	48.6	27.4	14.0	6.7	.6	.3	2.4	100.0
1952	58.9	16.4	11.5	9.6	.5	.3	2.8	100.0
1953	43.7	30.8	13.4	5.2	.5	.3	6.1	100.0
1954	45.4	24.7	12.1	11.5	.7	.4	5.2	100.0
1955	46.5	25.3	11.0	12.3	1.1	.5	3.3	100.0
1956	60.4	17.6	11.6	6.1	1.0	.5	2.8	100.0
1957	47.0	28.9	11.4	9.6	.7	---	2.4	100.0
1958	51.1	24.7	14.4	6.9	.7	.4	1.8	100.0
1959	50.2	23.3	15.0	9.1	.1	.1	2.2	100.0
1960	46.5	28.6	12.5	10.1	---	.1	2.2	100.0
1961	46.1	29.3	12.4	10.1	.1	.1	1.9	100.0

Basic data compiled from Accounts Relating to Trade and Navigation of the United Kingdom.

Singapore during the first half of 1961 than in that period of 1960, but more were shipped to Aden, Persian Gulf States, Hong Kong, and West Indies. Substantially more than a year earlier went to West Germany, France, Spanish West Africa and Belgium; moderately more, to Sudan and Arabian States; and a little more, to Libya.

Of 1960 gross clearances of tobacco, flue-cured from the 4 major suppliers comprised 299 million pounds--over nine-tenths of the total. More than 51 percent of this flue-cured came from the United States, 27 percent from Rhodesia, 12 percent from India, and 9 percent from Canada. In January-June 1961, compared with a year ago, gross clearances of U. S. flue-cured increased slightly, but gains for Commonwealth flue-cured were nearly 3 percent for Rhodesian; 4 percent for Indian; and 8 percent Canadian. Gross clearances of Nyasaland dark fire-cured were unchanged. There was a decline in gross clearances of air- and sun-cured from India, but those from Nyasaland rose moderately.

Imports of unmanufactured tobacco in the year ended June 30, 1961, totaled nearly 360 million pounds--13 percent more than in the preceding year and largest since 1951-52. Imports from the United States rose 12 percent, and from Rhodesia-Nyasaland, about 16 percent. India and Canada each furnished 13 percent more than in 1959-60. (See table 15.)

On July 26, a surcharge of 10 percent was added to the import duty on tobacco. This raised the main duty on non-Commonwealth leaf from the equivalent of \$9.03 a pound to about \$9.93 a pound, and on tobacco of Commonwealth origin (which receives the preferential rate), from \$8.81 $\frac{1}{2}$ to about \$9.69 a pound. Although with this increase the nonpreferential duty is still 2 $\frac{1}{2}$ percent above the preferential duty, the effect of this action is to increase the absolute difference between the two from the former 21 $\frac{1}{2}$ cents a pound to about 24 cents. The duty increase had the effect of raising the retail price of popular brands of cigarettes from the U. S. currency equivalent of about 58 cents to about 63 cents for a pack of 20. This may tend to switch some smokers to filtertips, which are generally priced lower than non-filter tips in Britain.

At the end of June 1961, stocks of tobacco in the United Kingdom totaled 487 million pounds--about 30 million more than a year earlier and largest mid-year holdings since 1939. Stocks amounted to about 18 months' use, as represented by July 1960-June 1961 gross clearances. A year earlier, stocks were equal to about 17 months' use, but in each of the 4 years prior to that, mid-year holdings were near 18 months' duration. On June 30, 1961, British manufacturers' stocks of U. S. flue-cured, about 237 million pounds, were up 4 percent from a year earlier. Stocks of Rhodesian flue-cured at 90 million pounds were 14 percent higher. Stocks of Indian flue-cured at 63 million pounds and Canadian flue-cured at 49 million were up 7 percent and 17 percent, respectively. Mid-1961 stocks of Nyasaland dark fire-cured were moderately less than a year ago. Holdings of air- and sun-cured from India were also smaller, but from Nyasaland, were appreciably larger than at the end of June 1960.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

Foreign grown tobacco is imported into this country mainly for blending with domestic types in the manufacture of cigarettes and cigars. Tobacco imports for consumption in the year ended June 30, 1961, totaled 165 million pounds--5 percent above the preceding year and a new record high. As usual, about three-fourths of the 1960-61 imports was cigarette leaf and nearly all the rest was for use in cigars.

Cigarette leaf imports at 123 million pounds were about $5\frac{1}{2}$ percent larger than in 1959-60. Turkey and Greece--ranking in that order as our principal sources--supplied 5 percent and 4 percent more, respectively. Imports from Yugoslavia rose nearly 8 percent.

Imports for consumption represent direct entries plus withdrawals from bond, and are usually taken as a measure of manufacturers' use. General imports or total arrivals from abroad represent direct entries plus that placed in bond. In the year ended June 30, 1961, total arrivals of cigarette leaf amounted to 151 million pounds--up 14 percent from the previous year.

Stocks of foreign-grown cigarette and smoking tobacco in this country on July 1 totaled 254 million pounds--13 million higher than a year earlier and the most for that date on record.

In the year ended June 30, 1961, a total of 41 million pounds of cigar tobacco were imported for consumption, of which about 24 million came from Cuba. Compared with the preceding year, total imports of cigar tobacco were a little higher, but from Cuba, declined $3\frac{1}{2}$ million pounds. Cuba supplied less scrap and stemmed filler, but more unstemmed filler; imports of Cuban cigar wrapper held even. The July 1 stocks of Cuban tobacco, about 41 million pounds, were down almost 3 million from the previous July 1 record-high holdings but were otherwise the largest midyear stocks on record.

A very small quantity of unstemmed cigar filler was imported for consumption from the Philippine Republic in 1960-61, but imports of tobacco in scrap form jumped 46 percent to about 12 million. July 1, 1961, stocks of Philippine tobacco in this country at about $14\frac{3}{4}$ million pounds were over a sixth higher than a year earlier and were the largest for any July 1 on record.

In 1960-61, significant quantities of scrap tobacco were imported for consumption from Peru, Dominican Republic, Colombia, Netherlands and Indonesia. Imports from all these sources, except Peru, increased over those in the previous year. Also of note were the increased imports of unstemmed filler from the Dominican Republic.

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 16.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

Classification and country of origin	(Declared weight)							
	Calendar year			Year ending June 30		January-July		
	Average 1924-28	Average 1934-38	Average 1955-59	1960	1961	1960	1961	1961 as percentage of 1960
	1/	1/	1/	2/	2/	2/	2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Cigarette leaf								
Unstemmed:								
Turkey	13.1	18.2	62.8	73.3	77.0	41.7	46.0	110
Greece	20.1	18.8	24.0	32.1	33.5	18.3	20.1	110
Syria	.2	.5	1.5	.8	.7	.4	.4	100
Italy	10.8	4.7	1.7	1.8	1.8	1.0	.9	90
Cyprus	0	.1	.7	1.2	.9	.8	.6	75
Yugoslavia	0	0	3.7	5.1	5.5	3.0	3.1	103
Total 3/	46.1	44.4	95.9	116.7	123.2	66.8	73.3	110
Cigar leaf (filler)								
Cuba:								
Stemmed	13.8	7.1	9.0	8.2	6.6	4.1	3.4	83
Unstemmed	7.8	4.1	3.7	3.5	4.4	2.3	2.3	100
Philippines, Republic								
Stemmed	) 1.7	) 4/	.2	.5	0	.5	0	---
Unstemmed	) 1.7	) 4/	.1	0	.1	0	5/	---
Dominican Republic								
Unstemmed	5/	5/	5/	.1	.3	.1	.1	100
Total 3/	22.4	11.3	13.1	12.5	12.0	7.1	6.3	89
Scrap:								
Cuba	1.8	2.9	10.4	15.6	12.7	8.8	7.2	82
Philippines, Republic	0	4/3.2	4.3	8.3	12.1	6.7	8.7	130
Peru	0	0	5/	1.3	.8	1.4	.3	21
Colombia	0	0	5/	5/	.6	5/	.5	---
Dominican Republic	0	0	5/	.2	.5	.1	.4	400
Netherlands	0	0	5/	.1	.3	5/	.3	---
Indonesia	0	0	5/	5/	.2	5/	.1	---
Total 3/	1.9	6.1	18.3	26.4	28.6	17.8	18.8	106
Cigar wrapper (unst.)								
Indonesia	6/6.1	6/1.9	.2	5/	5/	5/	5/	---
Cuba	.1	.2	.5	.6	.6	.3	.3	100
Total 3/	6.3	2.1	.7	.6	.6	.3	.4	133
Total imports 7/	78.3	66.3	129.3	157.1	164.8	92.2	99.0	107

1/ General imports. 2/ Preliminary. 3/ Includes relatively small quantities from other countries not separately listed. 4/ Reported as leaf in 1934-35 and as scrap in 1936-38. 5/ Less than 50,000 pounds. 6/ From Netherlands Indies or Netherlands. 7/ Includes stems not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Imports of cigar wrapper from Indonesia, which have dwindled in recent years, were negligible in the year ended June 30, 1961. Holdings of Indonesian tobacco have increased over the past year or so and amounted to 908,000 pounds on July 1, 1961; a year earlier, they were about 125,000 pounds. Nearly all of the stocks on the recent date consisted of filler tobacco.

TRANSFER OF TOBACCO ALLOTMENTS

On September 6 the President approved legislation (Public Law 87-200) that authorized the leasing of tobacco acreage allotments for the crop years 1962 and 1963. However, the law does not apply to burley tobacco (type 31), and in the case of Maryland tobacco (type 32), leasing will be limited to those farms which have planted at least 75 percent of their Maryland allotments in each of the years 1960 and 1961. The leasing will be permitted only between farms in the same county. Not more than 5 acres can be leased and transferred to any farm, and the total acreage allotted to any farm after the transfer cannot exceed 50 percent of the acreage of cropland on the farm. When normal yields per acre on the farm to which an allotment is being transferred is more than 10 percent higher than on the farm from which transferred, a downward adjustment shall be made in the amount of acreage allotment transferred.

The purpose of this legislation is to enable the holders of allotments so small that they result in uneconomic operations to transfer such allotments for the 1962 and 1963 crop years. Producers leasing these small allotments to add to the allotment on their own farms would then have larger acreages, which would assist them to operate their tobacco enterprise with improved efficiency.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-Cured, Types 11-14

Domestic Use and Exports

Domestic use of flue-cured at 792 million pounds during July 1960-June 1961 was over 3 percent above 1959-60. This was the second year in succession that domestic use scored an appreciable rise after being almost at a standstill in the 5 years, 1954-55 through 1958-59. The 1960-61 domestic use was second largest on record, exceeded only by the unusual high of 1952-53. Cigarettes are the main outlet for flue-cured tobacco; a further gain is expected in cigarette output in 1961-62 and should result in a further increase in the domestic use of flue-cured. Manufacturers' stocks of sheet tobacco for cigarettes on July 1, 1961, were a little larger than a year earlier; the flue-cured tobacco component of the sheet tobacco was indicated to be about 61 percent of the total; burley, about 31 percent; and imported, about 8 percent. The use of imported tobacco in cigarette sheet has risen sharply in the past year.

The 1960-61 exports of flue-cured tobacco at 475 million pounds (farm-sales weight) were 13 percent above 1959-60 and the largest in 5 years. Barter sales contributed significantly to the increase in exports of flue-cured during 1960-61. Exports of flue-cured during 1961-62 are not likely to be as large as in 1960-61, but are expected to be fairly well maintained.

During 1960-61, exports of flue-cured to the United Kingdom (accounting for 39 percent of total U.S. flue-cured exports) were nearly a fifth larger than the lower-than-usual figure of 1959-60. Exports to West Germany (accounting for 13 percent of the total) were about even with a year earlier but exports to Netherlands, third ranking destination, were sharply higher than in each of the preceding 2 years. Australia, the fourth ranking destination, took the smallest quantity of U.S. flue-cured in 12 years. Japan, the fifth ranking destination, took considerably more in 1960-61 than in any prior year. Flue-cured exports to Belgium, Ireland, and Sweden, among the next ranking destinations, were in each case the largest for several years, and those to Denmark were second largest on record. Egypt's takings in 1960-61 dropped well below the high 1959-60 figure, but were substantially above any other year. Among other foreign countries taking more flue-cured in 1960-61 than in 1959-60 were Finland, Portugal, New Zealand, Viet Nam, France, Austria, India and Pakistan; among those taking less than in 1959-60 were Spain, Italy, Thailand, Hong Kong, Taiwan, Mexico and Philippine Republic. Flue-cured shipments to Norway and Switzerland held about even in the last 2 years.

Exports of flue-cured are recorded as being shipped either stemmed or unstemmed. While the predominant share is shipped unstemmed, the percentage shipped in stemmed form is rising. When flue-cured is exported in stemmed form, its declared value per pound averages higher than for unstemmed since costs of stemming are reflected. The proportions exported unstemmed and stemmed and the average declared values for each category in the past five years were as follows:

Marketing year	Exports of flue-cured		Av. value per lb. export weight	
	Unstemmed	Stemmed	Unstemmed	Stemmed
	Percent	Percent	Cents	Cents
1956-57	96.9	3.1	68.5	82.4
1957-58	95.7	4.3	72.9	87.6
1958-59	96.4	3.6	73.6	93.6
1959-60	94.6	5.4	74.0	96.8
1960-61	92.6	7.4	75.8	96.7

The average value per pound of unstemmed flue-cured exported rose nearly $6\frac{1}{2}$ percent from 1956-57 to 1957-58 and since then has gradually risen another 4 percent. The average value of stemmed flue-cured exported rose $17\frac{1}{2}$ percent from 1956-57 to 1959-60 but was virtually unchanged since then.

1961-62 Supplies

Carryover of flue-cured on July 1, 1961, totaled 2,090 million pounds--16 million pounds lower than 1 year earlier and 120 million pounds lower than 2 years earlier. The September 1 estimate of production is 1,260 million pounds, .

Table 17.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	741	845	1,586	704	338	366	22.9
1941-45	902	1,349	2,251	992	617	375	38.5
1947-49	1,174	1,458	2,632	1,108	715	393	46.0
1950	1,257	1,485	2,742	1,185	757	428	54.7
1951	1,453	1,557	3,010	1,279	777	502	52.4
1952	1,365	1,731	3,096	1,244	828	416	50.3
1953	1,272	1,852	3,124	1,209	778	431	52.8
1954	1,314	1,915	3,229	1,173	744	429	52.7
1955	1,483	2,056	3,539	1,281	728	553	52.7
1956	1,423	2,258	3,681	1,170	705	465	51.5
1957	975	2,511	3,486	1,178	737	441	55.4
1958	1,081	2,308	3,389	1,179	736	443	58.2
1959	1,081	2,210	3,291	1,185	766	419	58.3
1960	1,251	2,106	3,357	1,267	792	475	60.4
1961	1,260	2,090	3,350				*64.0
	Parity price 3/	Price support level	Placed under Government loan		Percentage of crop	Remaining in Government loan stocks on Aug. 31, 1961 4/	
			Quantity				
	Ct.	Ct.	Mil. lb.		Pct.	Mil. lb.	
1950	50.0	45.0	77.6		6.2	0	
1951	56.3	50.7	142.2		9.8	0	
1952	56.2	50.6	5/165.0		12.1	0	
1953	53.2	47.9	151.4		11.9	0	
1954	53.2	47.9	130.2		9.9	0	
1955	53.7	48.3	298.9		20.2	91.5	
1956	54.3	48.9	319.9		22.5	119.4	
1957	56.5	50.8	107.8		11.1	57.5	
1958	60.7	54.6	144.8		13.4	93.4	
1959	61.7	55.5	55.3		5.1	38.3	
1960	63.4	55.5	51.8		4.1	43.9	
1961	64.5	55.5	6/		6/		
Total			1,644.9			444.0	

1/ Year beginning July 1. 2/ Subject to revision. 3/ Through 1959, as of date determining support level; but from 1960 on, supports are not set at 90 percent of parity. The parity shown for 1960 and 1961 is as of June. 4/ As reported by Flue-cured Tobacco Cooperative Stabilization Corporation; actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953. 6/ Through mid-September, 23 million pounds about 3 percent of market deliveries were placed under loan. *Estimated.

about 9 million more than in 1960 and 179 million more than in each of 1959 and 1958. Acreage allotments for most farms have been unchanged for 5 years but due to adjustments, new farms, and fuller planting of allotments, acreage indicated for harvest is nearly 1 percent above that harvested in 1960. For all Belts combined, yields per acre, indicated as of September, averaged practically the same as last year's record high. In Georgia-Florida, yields rose to a new high and a new record appears likely in the Middle and Old Belt producing areas. These increases tend to offset moderately lower yields than last year indicated in Eastern North Carolina. Only slightly lower yields than 1960 were indicated in the South Carolina border area.

The 1961-62 total supply--carryover plus this year's crop--at 3,350 million pounds is only slightly below the 1960-61 level. The supply is a little over 2.6 times prospective 1961-62 disappearance, compared with a ratio of 3.1 five years ago when supplies were at a record high. If the 1961 crop turns out close to the present estimate, the carryover on July 1, 1962, seems likely to be around 2,080 million pounds--about a half of 1 percent below last July 1.

The 1962 marketing quota and acreage allotment for flue-cured will be announced by the Secretary of Agriculture by December 1. Within 30 days after the announcement, growers of flue-cured will vote in a referendum on whether or not they favor marketing quotas on their 1962, 1963, and 1964 crops. The law requires that two-thirds of those voting be in favor if quotas are to be continued in effect. Marketing quotas have been in effect on flue-cured tobacco each year for 22 years. In the last referendum (held December 15, 1958), 95.4 percent of the voters favored the continuance of marketing quotas on their next three crops. When marketing quotas are in effect, Government price support is mandatory.

Prices and Price Support

The 1961 auction market prices for all flue-cured sold this season through September 22 averaged 63.9 cents per pound, compared with 59.3 cents by the same date last season.

Approximately two-thirds of the crop had been marketed by the end of the third week of September.

Auction market volumes and prices in the 5 Belts through September 22 and comparable figures for last season are as follows:

Belt	Sales Volume		Average Price	
	1960	1961	1960	1961
	Mil. lb.	Mil. lb.	Ct. per lb.	Ct. per lb.
Ga.-Fla., type 14 (finished):	182	191	56.5	58.9
S.C. and Border N.C., type 13:	268	318	61.4	65.4
Eastern N.C., type 12	252	288	59.0	65.0
Middle Belt, type 11(b)	47	73	59.6	65.3
Old Belt, type 11(a)	14	40	59.8	64.9

In the Georgia-Florida Belt, marketings this year ran from July 27 through August 25. Volume sold was over 4 percent larger than last year and the largest in 6 years. Prices averaged nearly $4\frac{1}{2}$ percent above last year and a new record high. Growers placed about 7.3 million pounds under Government loan, compared with 2.3 million in 1960.

Auctioning in the Border Belt began August 3 and probably will be completed by late September. Through September 22, volume of sales was about 19 percent larger than the volume of sales by September 22 a year earlier. Prices averaged $6\frac{1}{2}$ percent higher than in 1960. Approximately 8.3 million pounds were placed under Government loan, compared with 8.9 million in the 1960 season.

In the Eastern Belt, where auctions opened August 22, prices through September 22 averaged 10 percent higher than in the comparable period of last season. About 3.4 percent of market deliveries went under loan, about the same figure as in the corresponding period last season.

In the Middle Belt, where auctions started August 31, prices for the first 3 weeks sales averaged 10 percent above those for the comparable period last season. Receipts under Government loan amounted to about 2.4 percent of market deliveries, compared with 2.9 percent a year earlier.

In the Old Belt, where auctions began September 12, prices for the first 9 days' sales averaged $8\frac{1}{2}$ percent higher than for the similar period at the start of the 1960 sales season.

The overall support level for the 1961 flue-cured crop, set in accordance with the formula specified by law, is 55.5 cents per pound. The computed level happened to coincide with the level in effect for the 1960 and 1959 crops. However, loan rates for individual grades were increased by an average of 2.4 cents per pound over 1960. This increase in grade loan rates was necessary to comply with the legal requirement of providing an average 55.5 cents price support for the crop as a whole. The grade loan rates are set prior to the opening of any markets. It was determined that the latest 10-year moving average of the grade composition was the most realistic anticipation that could be made of the grade composition of the upcoming crop. In setting the 1959 and 1960 crop loan rates, the 1948-57 average grade composition was the basis, whereas for the 1961 crop loan rates the 1951-60 grade composition provided the basis for the determination.

The overall support levels for the 1962 crops of flue-cured (if growers approve marketing quotas) and other eligible kinds of tobacco as well will be determined in accordance with the legal formula. For flue-cured, the 1962 support level will be calculated by adjusting the support level for the 1959 crop (55.5 cents per pound) to reflect the relationship between (1) the average of the parity indexes for 1959, 1960, and 1961, and (2) the parity index for 1959. The parity index is the index of prices paid by farmers, including interest, taxes and farm wage rates. If the parity index for the remaining months of this year should continue near its recent level, the average parity index for 1959-61 will be 1 percent higher than the parity index for 1959. Consequently, it appears that the support level for 1962 flue-cured will be 1 percent higher than the 55.5

cents per pound level calculated for the 1961 crop and which also happens to have been the level in effect for the 1959 and 1960 crops.

In 1959, 55.5 cents represented 90 percent of the flue-cured parity price, the mandatory level of support. In February 1960, Congress amended the law to provide a different method for calculating tobacco price supports: (1) For 1960 the price supports were to be held at the same levels as in 1959, (2) for the 1961 and subsequent crops, the change in the support level was to be determined (as outlined above) on the basis of the relationship between the latest calendar 3-year moving average of the parity index and the 1959 parity index.

Burley, Type 31

Domestic Use and Exports

Disappearance of burley in the October 1960-September 1961 marketing year is estimated at 547 million pounds--2 percent more than in 1959-60. Indications are that domestic use totaled about 510 million pounds--a gain of 2 percent over the preceding year and second only to domestic utilization in 1952-53. The predominant share of burley used in this country goes into cigarettes, though substantial quantities are also used in the manufacture of smoking tobacco and plug chewing. In the period October 1960-July 1961, cigarette production was 3 percent larger than a year earlier. Output of smoking tobacco was up about 2 percent, but plug chewing declined 4 percent.

After reaching a peak of 519 million pounds in 1952-53, domestic use of burley declined steadily in the following 5 years. This mainly reflected technological and consumption changes--the rapid upsurge in filtertip cigarettes, and the increased use of sheet tobacco and stem material (midribs of tobacco leaves). However, domestic use of burley has since gained for 3 years in a row, although less percentagewise than the increase in cigarettes. This may indicate that the major impact of the technological changes has already been felt, and that significant increases in cigarette output will be accompanied by gains in aggregate burley usage. The 1961-62 use of burley may show some further gain from the current year's level, reflecting the expected continued increase in cigarette output.

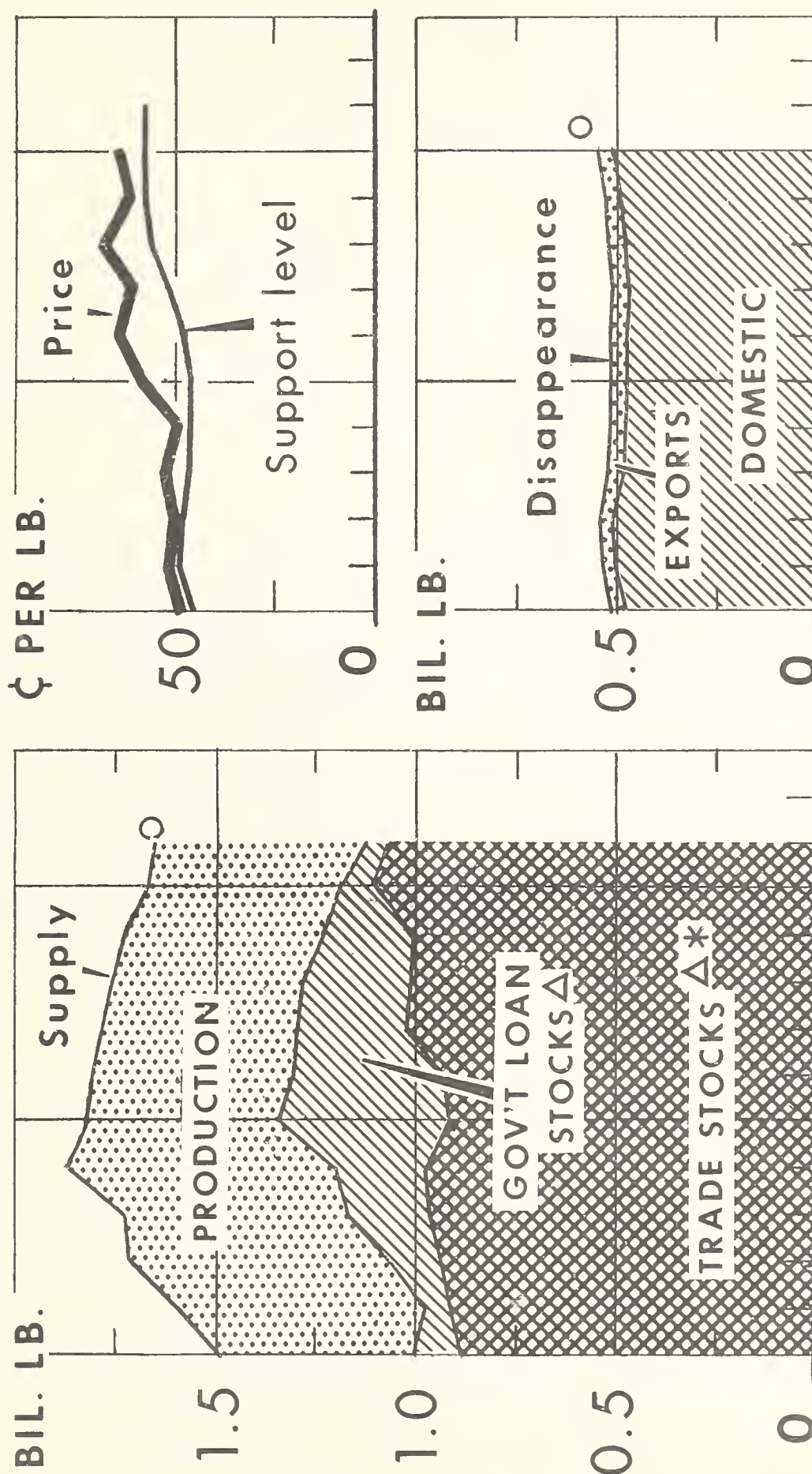
Exports of burley in 1960-61 may be near 37 million pounds--a little above those in the previous year. During October 1960-July 1961 (five-sixths of the full marketing year), burley exports were about even with those in the corresponding period of a year ago. West Germany, leading outlet, cut takings by over a fourth, but exports to Sweden, next ranking market, rose by about a third. Portugal, Egypt and Italy increased takings by 51, 25, and 20 percent, respectively. Consignments to Finland were $3\frac{1}{2}$ times those in October 1959-July 1960, and there was substantial percentage increase in shipments to Norway. On the other hand, exports to Mexico declined by more than 20 percent. Among other countries of destination, Netherlands slashed takings by about three-fifths, and Denmark, by about a third. Only minor quantities went to Australia, in contrast to around $1\frac{3}{4}$ million pounds (farm-sales weight) in October 1959-July 1960.

Table 18.—Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production:	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	287	701	988	314	302	12	22.2
1941-45	448	730	1,178	437	424	13	40.0
1947-49	550	939	1,489	530	493	37	46.6
1950	499	1,000	1,499	518	488	30	49.0
1951	618	981	1,599	538	506	32	51.2
1952	650	1,061	1,711	548	519	29	50.3
1953	564	1,163	1,727	529	494	35	52.5
1954	668	1,198	1,866	519	486	33	49.8
1955	470	1,347	1,817	518	484	34	58.6
1956	506	1,299	1,805	510	482	28	63.6
1957	488	1,295	1,783	506	478	28	60.3
1958	465	1,277	1,742	518	483	35	66.1
1959	502	1,224	1,726	535	499	36	60.6
1960	485	1,191	1,676	*547	*510	*37	64.2
	523	*1,129	*1,652				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining support level; but from 1960 on, supports are not set at 90 percent of parity. The parity shown for 1960 is as of Sept. and for 1961, as of August. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ Approximately 16 million pounds included in the August 31 figures have been sold. *Preliminary estimate.

BURLEY TOBACCO



YEAR BEGINNING OCTOBER Δ BEGINNING OF MARKETING YEAR
 * MANUFACTURERS' AND DEALERS' Δ^* PRELIMINARY INDICATION

1961-62 Supplies

The carryover of burley on October 1, 1961, is estimated at 1,129 million pounds--62 million less than a year ago and 218 million below the peak on October 1, 1955. The September estimate of the 1961 crop is 523 million pounds--about 8 percent more than last year. This year's burley acreage is up $6\frac{1}{2}$ percent, principally reflecting the increase in allotments, and the average yield for the Belt as a whole is indicated as of September to be the second highest on record.

The 1961-62 total supply of burley--carryover plus the new crop--will be around 1,652 million pounds, about $1\frac{1}{2}$ percent less than in 1960-61. The gain in the size of the crop will be more than offset by the anticipated decrease in carryover. Burley supplies have declined gradually from the 1954-55 peak of 1,866 million pounds. Prospective 1961-62 supplies are equal to 3.0 times probable disappearance, compared with a ratio of 3.1 in 1960-61 and 3.6 in 1954-55. Carryover of burley on October 1, 1962, is likely to be lower than the estimated level of this year, but the percentage decrease will be small.

Government loan stocks have shown some decline in recent months. On August 31, about 90 million pounds (farm-sales weight) remained, nearly three-fifths from the 1954 crop (table 18). Reported Government loan stocks are about $2\frac{1}{2}$ million less than on May 31, and about 4 million less than held at the end of August a year ago. However, approximately 16 million pounds included in the stocks reported as of August 31, 1961 have since been disposed of. The greater part of the decline in total stocks of burley in the 1960-61 marketing year was in stocks held by the trade--manufacturers and dealers.

The 1962 burley marketing quota and acreage allotment will be announced by the Secretary of Agriculture by February 1, 1962. Within 30 days following the announcement, growers will vote in a referendum on whether or not they favor quotas on the 1962, 1963, and 1964 crops. Approval by at least two-thirds of the farmers voting is necessary before marketing quotas can continue in effect. In the last referendum (February 1959), nearly 99 percent of the growers voting favored marketing quotas.

Price Supports and Prices

The price support level for the 1961 crop of burley is 57.2 cents a pound, the same as in 1960 and 1959. Providing marketing quotas are approved by growers, price support will continue for the 1962 crop. The support level for 1962 burley will be determined in the same manner as for flue-cured. (See page 38.) It is likely that the support level for 1962 burley will be about 1 percent higher than the 57.2 cents in effect for the current crop.

Last year's crop brought an average of 64.2 cents a pound--about $3\frac{1}{2}$ cents more than for the 1959 crop and the second highest on record. Only about $1\frac{3}{4}$ percent of the crop was placed under price support loan.

Auction markets for sales of the 1961 crop are expected to begin in late November.

Maryland, Type 32 3/

Domestic Use and Exports

The total disappearance of Maryland tobacco in the October 1960-September 1961 marketing year is estimated at about 32 million pounds, compared with about $32\frac{1}{3}$ million in 1959-60. Domestic use, estimated at about $20\frac{1}{2}$ million pounds, is near the quantity utilized in 1959-60. Most Maryland tobacco used domestically goes into cigarettes, but such use has not kept pace with expanding cigarette output. Certain grades of Maryland tobacco are also used in some cigars.

Exports of Maryland tobacco in the marketing year just ending may be around $11\frac{1}{2}$ million pounds, farm-sales weight--a little less than in 1959-60. During the first 10 months of 1960-61, Maryland exports were 5 percent below a year earlier. Switzerland, the principal market as usual, took 9 percent more, while exports to Netherlands were nearly 3 times those in October 1959-July 1960. On the other hand, consignments to Belgium and Portugal were only about a third and less than a tenth, respectively, of those a year earlier. Exports to West Germany declined a little, but significant quantities went to Spain, in contrast to none a year ago.

1961-62 Supplies

The 1961 auction sales and hogshead receipts of Maryland tobacco, mostly of the 1960 crop, totaled 34.3 million pounds. Carryover of Maryland tobacco on January 1, 1962, is likely to be around 64 million pounds, about $2\frac{1}{3}$ million above year-earlier holdings but otherwise lowest for that date since 1951. The September estimate for the 1961 Maryland crop is $33\frac{1}{4}$ million pounds--a little less than the marketings in 1961, which were mostly 1960 crop tobacco. Acreage is indicated to be fairly close to 1960, and the average yield per acre is indicated as unchanged. This year's crop plus the carryover will provide a 1961-62 total supply of about 97 million pounds--about 1 percent larger than for 1960-61.

In a previous referendum, growers of Maryland tobacco approved marketing quotas for their 1960-62 crops. The 1962 marketing quota and acreage allotment for Maryland tobacco will be announced by the Secretary of Agriculture by February 1.

3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--the 12-month period, October 1 through September 30. Disappearance is calculated on the October-September basis.

Table 19.—Maryland tobacco, type 32: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks following Jan. 1 1/	Supply	Disappearance 2/			Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Total	Domestic	Exports	Ct.
Average:							
1934-38	27.5	38.4	65.9	26.5	21.1	5.4	19.7
1941-45	29.4	44.1	71.5	29.7	27.1	2.6	48.9
1947-49	38.0	45.8	83.8	35.6	27.6	8.0	48.5
1950	40.0	53.4	93.4	35.5	27.1	8.4	48.2
1951	41.6	59.3	100.9	33.3	26.7	6.6	44.8
1952	40.2	64.9	105.1	40.3	32.5	7.8	48.8
1953	40.5	65.4	105.9	36.4	28.4	8.0	54.5
1954	43.8	68.6	112.4	36.1	27.9	8.2	40.3
1955	31.5	77.5	109.0	38.6	25.7	12.9	50.8
1956	36.5	69.7	106.2	34.9	21.4	13.5	51.7
1957	38.5	69.4	107.9	37.0	25.0	12.0	44.9
1958	31.1	70.9	102.0	39.4	24.1	15.3	62.5
1959	31.2	64.2	95.4	32.3	20.4	11.9	61.6
1960	[] 34.3	61.7	96.0	*32.0	*20.5	*11.5	#63.0
1961 3/	33.2	*64.0	*97.2				
	Parity price 4/	Price support level	Placed under Government loan		Remaining in Government loan stocks on Aug. 31, 1961 5/		
	Ct.	Ct.	Quantity	Percentage of crop			Mil. lb.
1950	56.5	48.6	5.5	13.8			0
1951	60.6	No price support 6/					
1952	58.5	No price support 6/					
1953	56.0	50.4	6.7	16.5			0
1954	53.5	No price support 6/					
1955	53.1	No price support 6/					
1956	52.2	47.0	3.3	9.0			0
1957	53.3	48.0	5.9	15.3			2.2
1958	56.4	50.8	1.1	3.6			.5
1959	56.4	No price support 6/					
1960	57.8	50.8	1.6	4.9			1.6
1961	60.2	50.8					
Total			22.5				4.3

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year—October 1 through September 30.

2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959, as of date determining support level or when no support, October 1; but from 1960 on, supports are not set at 90 percent of parity. The parity shown for 1960 is as of September and for 1961, as of August.

5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since less than two-thirds of growers voting approved.

[] Auction sales plus hogshead market receipts. *Preliminary estimates. #Auction market price.

Price Supports and Prices

The 1961 crop of Maryland tobacco, to be marketed next spring and summer, will receive Government price support at an average level of 50.8 cents per pound--the same as for the 1960 crop.

For the 1962 crop, the support level for Maryland tobacco will be determined in the same manner as for flue-cured. (See page 38 .) It is likely that the support level for 1962 Maryland tobacco will be about 1 percent higher than the 50.8 cents per pound in effect for the current crop.

This year, auction sales for 1960 crop Maryland tobacco were held from April 25 to July 14. Also operating was the Baltimore hogshead market. The auction market average was 63.0 cents a pound--2.3 cents above the previous year's auction average and the highest on record. Sales volume was up a tenth; overall quality of tobacco was above average. The price support level for 1960-crop Maryland was 50.8 cents a pound. About 5 percent of the crop went under Government loan. The 1959 crop was not eligible for Government price support, as it was not produced under a marketing quota.

In addition to the 28.7 million pounds sold at this year's auctions, another 5.6 million pounds were received at the Baltimore hogshead market by September 2.

Fire-Cured, Types 21-23Domestic Use and Exports

Disappearance of the fire-cured types in the marketing year that began October 1960 is estimated at about $54\frac{1}{2}$ million pounds--up about 3 million from the preceding year. The increase was attributable to a substantial gain in exports. Domestic use, estimated at about 25 million pounds, was about $2\frac{1}{2}$ million lower than in 1959-60. The principal domestic outlet for the fire-cured types is in the manufacture of snuff, which in the October 1960-July 1961 period was down 4 percent from year-earlier levels.

Exports of fire-cured in 1960-61 are placed at near $29\frac{1}{2}$ million pounds (farm-sales weight), about $5\frac{1}{2}$ million above those in 1959-60--lowest peacetime exports on record. In the first 10 months of the 1960-61 marketing year, exports of Kentucky-Tennessee fire-cured were a fourth larger than in the like period of 1959-60. The Netherlands, accounting for two-fifths of the total, took 53 percent more. France, which accounted for about a sixth of the total, increased takings by 27 percent. Exports to Switzerland rose 8 percent; to Belgium, more than doubled; and to Sweden, almost doubled to the largest in 5 years. Other countries taking more Kentucky-Tennessee fire-cured than in October 1959-July 1960 were Denmark, Italy, and Ireland. However, there was a moderate decline in shipments to West Germany, and large percentage declines in those to Egypt and Norway.

Exports of Virginia fire-cured in October 1960-July 1961 were almost a third above the corresponding period a year ago, and represented the largest

Table 20.—Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production:	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	18.2	30.6	48.8	20.1	8.6	11.5	10.2
1941-45	12.1	31.3	43.4	15.5	8.6	6.9	22.1
1947-49	12.9	22.5	35.4	12.8	5.3	7.5	30.4
1950	12.8	23.1	35.9	11.3	5.9	5.4	36.3
1951	13.4	24.6	38.0	11.0	6.3	4.7	39.2
1952	12.2	27.0	39.2	10.5	5.5	5.0	35.5
1953	9.2	28.7	37.9	11.7	6.9	4.8	35.6
1954	10.6	26.2	36.8	10.2	6.0	4.2	34.4
1955	10.5	26.6	37.1	12.7	6.7	6.0	31.3
1956	10.7	24.4	35.1	10.3	4.8	5.5	39.5
1957	8.6	24.8	33.4	9.6	4.2	5.4	38.7
1958	9.4	23.8	33.2	10.7	5.3	5.4	36.9
1959	10.0	22.5	32.5	10.3	4.9	5.4	37.6
1960	8.9	22.2	31.1	*10.5	*4.0	*6.5	39.4
1961 2/	10.3	*20.6	*30.9				
	Parity price 3/ 4/	Price support level 5/	Placed under Government loan		Remaining in Government loan stocks on Aug. 31, 1961 6/		
	Ct.	Ct.	Quantity	Percentage of crop	Mil. lb.		
1950	30.3	34.3	2.4	18.8	0		
1951	33.6	37.4	2.6	19.4	0		
1952	34.8	37.1	2.4	19.7	0		
1953	34.4	35.0	.7	7.6	0		
1954	34.8	34.8	2.1	19.8	.3		
1955	35.8	34.6	1.8	17.1	.1		
1956	36.2	36.1	1.7	15.9	1.7		
1957	38.8	38.8	1.0	11.6	.8		
1958	41.8	38.8	2.2	23.4	1.7		
1959	41.9	38.8	.8	8.1	.6		
1960	42.5	38.8	.3	3.3	.3		
1961	43.8	38.8					
Total	---	---	18.0	---	5.5		

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining the burley support level; for 1960, as of September; for 1961, as of August. 4/ Data for 1950-57 are parity prices for all fire-cured tobacco--starting with 1958, type 21 parity computed separately. / Set at 75 percent of burley support through 1957, and stayed at 1957 level from 1958 through 1961 due to changes in legislation. 6/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. *Preliminary estimate.

Table 21 —Fire-cured tobacco, types 22-23^{1/}: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production:	Stocks, Oct. 1	Supply	Disappearance ^{2/}			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	90.8	163.6	254.4	101.6	43.4	58.2	10.0
1941-45	54.0	139.4	193.4	66.4	41.0	25.4	21.0
1947-49	64.4	132.1	196.5	57.3	30.7	26.6	30.1
1950	45.4	141.8	187.2	64.6	30.7	33.9	29.7
1951	46.1	122.6	168.7	48.8	25.8	23.0	40.3
1952	46.0	119.9	165.9	48.3	24.2	24.1	38.1
1953	39.7	117.6	157.3	49.5	26.0	23.5	33.3
1954	51.6	107.8	159.4	48.9	23.9	25.0	38.5
1955	54.7	110.5	165.2	52.0	24.6	27.4	38.4
1956	59.9	113.2	173.1	52.3	27.5	24.8	36.1
1957	41.9	120.8	162.7	53.3	29.5	23.8	36.4
1958	33.9	109.4	143.3	44.1	24.6	19.5	38.1
1959	43.1	99.2	142.3	41.1	22.5	18.6	38.3
1960	36.5	101.2	137.7	*44.0	*21.0	*23.0	43.3
1961 ^{3/}	42.1	*93.7	*135.8				
	Parity	Price	Placed under Government loan		Remaining in		
	price ^{4/} ^{5/}	support			Government loan		
		level ^{6/}	Quantity	Percentage	stocks on		
				of crop	Aug. 31, 1961 ^{7/}		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1950	30.3	34.3	9.8	21.6	0		
1951	33.6	37.4	4.9	10.6	0		
1952	34.8	37.1	8.5	18.4	0		
1953	34.4	35.0	7.5	18.9	0		
1954	34.8	34.8	4.8	9.3	.5		
1955	35.8	34.6	7.9	14.4	.9		
1956	36.2	36.1	18.6	31.1	12.1		
1957	38.8	38.8	13.9	33.1	8.0		
1958	41.2	38.8	4.4	12.0	2.8		
1959	41.6	38.8	5.3	12.3	4.3		
1960	42.9	38.8	3.2	8.7	3.2		
1961	45.5	38.8					
Total			88.8		31.8		

^{1/} Type 24 included until early 1950's when it became practically nonexistent. ^{2/} Year beginning October 1. ^{3/} Subject to revision. ^{4/} Through 1959, as of date determining burley support level; for 1960, as of September; for 1961 as of August. ^{5/} Data for 1959-57 are parity prices for all fire-cured tobacco--starting with 1958, types 22-23 parity computed separately. ^{6/} Set at 75 percent of burley support through 1957, and stayed at 1957 level from 1958 through 1961 due to changes in legislation. ^{7/} Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. *Preliminary estimate.

ten-month total since 1947-48. Norway, leading destination, boosted takings by 60 percent, and more than a year earlier also went to Sweden, Netherlands, and West Germany. But exports to the United Kingdom, second ranking outlet, declined a tenth.

1961-62 Supplies

Carryover of the combined fire-cured types on October 1, 1961, is estimated at approximately 114 million pounds--7 percent below a year earlier and lowest since 1946. The September estimate of this year's crop is 52 million pounds--15 percent above the 1960 crop, second smallest on record. Acreage is indicated to be up 6 percent from 1960, and the average yield for each of the three fire-cured types is indicated to be above the previous year. For the fire-cured types as a whole, the per acre yields may be the third highest on record. Acreage allotments are mostly the same as in 1960.

Present indications point to total supplies of fire-cured tobacco in 1961-62 of over 166 million pounds--2 million less than in 1960-61. Carryover on October 1 may be reduced somewhat from its current level.

The 1962 marketing quotas and acreage allotments for Virginia fire-cured (type 21) and for Kentucky-Tennessee fire-cured (types 22-23) will be announced by the Secretary of Agriculture by February 1. Marketing quotas for the 1961-63 crops of fire-cured were approved by growers in a referendum held in February 1961.

Prices and Price Supports

The support level for the 1961 fire-cured crop is 38.8 cents a pound--the same as for the 1960 and 3 prior crops. The support level for 1962 fire-cured will be determined in the same manner as for flue-cured. (See page 38.) It is likely that the support level for the 1962 crop of fire-cured will be about 1 percent higher than the 38.8 cents in effect for the current crop.

The 1960 season average price for the combined fire-cured crop was $42\frac{1}{2}$ cents a pound--over a tenth higher than for the previous crop and the highest on record. Virginia fire-cured averaged 39.4 cents a pound--5 percent more than in 1959. The season average for Kentucky-Tennessee type 22 was 43.9 cents--an eighth above the previous year. For Kentucky-Tennessee type 23, the 1960 season average was 41.4 cents--14 percent above the previous season.

Last season, growers placed about $3\frac{1}{2}$ million pounds (about 8 percent of the combined crop) under Government loan. These placements were the lowest on record--both in quantity and as a percentage of the crop. Loan receipts of types 21 and 22 were down sharply from 1959; those of type 23 were a little smaller than in 1959 but were several times as large as the record-low placements from the 1958 crop.

Dark Air-Cured and Sun-Cured, Types, 35-37

Domestic Use and Exports

Total disappearance of dark air-cured and sun-cured tobacco is estimated at 24 million pounds for the October 1960-September 1961 marketing year--about the same as in 1959-60. Indications are that an increase in domestic use just about offset a decline in exports. Domestic disappearance at about 19 million pounds was approximately a million more than in the previous year, but about 2 million less than the 1954-58 average. The chief outlet for dark air-cured is in the manufacture of chewing tobacco. As combined manufacture of plug, twist and fine-cut chewing tobacco in the first 10 months of the current marketing year was running 4 percent below a year ago, indications are that consumption in nonchewing uses may have increased.

Exports of these types in 1960-61 (including an allowance for the quantities shipped out in the form of Black Fat) are estimated at about 5 million pounds (farm-sales weight). This would be approximately an eighth less than in 1959-60 and probably the lowest in the postwar period.

In the 10 months October 1960-July 1961, exports of One Sucker leaf (type 35) were only three-fifths of those a year earlier. Belgium accounted for about two-thirds of the total, and reduced takings by 36 percent. Some One Sucker also went to France, Congo Republic and Trinidad. None was reported as going to Finland, which took a significant quantity in the corresponding period of 1959-60.

During October 1960-July 1961, exports of Green River tobacco (type 36) dropped 42 percent below those of a year ago. Exports to the United Kingdom, destination for three-fourths of the total, fell 24 percent. Only minor quantities went to Belgium, which was the second ranking market in 1959-60. More Green River than a year earlier was exported to Congo Republic and Australia.

In recent years, over half of all exports of dark air-cured tobacco has been in the form of Black Fat, a semi-processed product. Exports of Black Fat in October 1960-July 1961 were 5 percent below those in the like period of 1959-60. Nigeria and Ghana--the two ranking markets--cut takings by a fifth and about a tenth, respectively. On the other hand, exports to Western Africa (formerly French West Africa) jumped 39 percent. There were also increases in shipments to Spanish Africa, Canary Islands, and Cameroun, but moderately less went to Bahamas.

1961-62 Supplies

October 1, 1961, stocks of dark air-cured and sun-cured are estimated at near 62 million pounds--about 4 million less than last October and lowest since 1946. The September estimate of the 1961 crop is about 22-1/3 million pounds--11 percent above the 1960 outturn. Indicated acreages of One Sucker (type 35) and Green River (type 36) are up a little from 1960, while that of Virginia sun-cured (type 37) is up about a sixth. The average yield per acre for each of the three types is indicated to be above last year; for One Sucker it may be the third highest on record, and for Green River, second highest.

Table 22.—Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	32.5	60.1	92.6	36.0	24.3	11.7	8.7
1941-45	34.6	61.2	95.8	37.2	31.3	5.9	20.4
1947-49	33.0	71.2	104.2	30.4	21.3	9.1	27.2
1950	25.1	76.8	101.9	32.9	22.6	10.3	23.2
1951	27.7	68.9	96.6	26.4	18.5	7.9	34.3
1952	30.1	70.2	100.3	25.2	19.2	6.0	31.6
1953	23.6	75.2	98.8	26.7	20.1	6.6	25.2
1954	30.4	72.1	102.5	25.9	16.3	9.6	34.3
1955	27.8	76.6	104.4	23.6	18.4	5.2	31.8
1956	30.7	80.8	111.5	34.0	23.4	10.6	34.0
1957	19.8	77.5	97.3	24.8	18.5	6.3	36.1
1958	16.1	72.5	88.6	25.0	17.5	7.5	38.4
1959	19.3	63.6	82.9	21.9	16.4	5.5	34.5
1960	18.2	61.0	79.2	*21.9	*17.2	*4.7	37.4
1961 2/	20.1	*57.3	*77.4				
	Parity price 3/	Price support level 4/	Placed under Government loan		Remaining in Government loan stocks on Aug. 31, 1961 5/		
			Quantity	Percentage of crop			
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1950	27.2	30.5	4.1	16.3	0		
1951	29.6	33.2	7.3	26.4	0		
1952	30.5	33.0	6/9.9	32.9	0		
1953	30.2	31.1	7.5	31.8	0		
1954	29.4	30.9	7.2	23.7	1.0		
1955	30.4	30.8	6.3	22.7	.6		
1956	31.0	32.1	6.6	21.5	6.0		
1957	33.2	34.5	3.0	15.2	2.5		
1958	36.0	34.5	.5	2.7	.3		
1959	36.8	34.5	3.7	19.2	3.6		
1960	37.8	34.5	2.2	12.2	2.2		
1961	40.3	34.5					
Total			58.3		16.2		

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining burley support level; for 1960, as of September; for 1961, as of August. 4/ Set at 66-2/3 percent of burley support through 1957, and stayed at 1957 level from 1958 through 1961 due to changes in legislation. 5/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. 6/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but purchased and shipped by mid-1953. *Preliminary estimate.

Table 23.—Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	2.7	2.7	5.4	2.6			11.5
1941-45	2.4	3.2	5.6	2.6			28.1
1947-49	3.0	3.6	6.6	3.0			30.7
1950	3.6	4.0	7.6	3.5	3.0	0.5	33.9
1951	4.0	4.1	8.1	3.8	3.1	.7	34.6
1952	3.7	4.3	8.0	4.0	3.4	.6	31.6
1953	2.9	4.0	6.9	3.2	2.7	.5	31.8
1954	3.7	3.7	7.4	3.2	2.7	.5	32.2
1955	3.3	4.2	7.5	2.9	2.1	.8	25.3
1956	3.2	4.6	7.8	2.5	1.9	.6	35.7
1957	2.7	5.3	8.0	2.5	1.9	.6	34.0
1958	1.9	5.5	7.4	2.5	2.2	.3	36.8
1959	2.2	4.9	7.1	1.9	1.6	.3	34.4
1960	1.8	5.2	7.0	*2.1	*1.8	*.3	37.9
1961 2/	2.2	*4.9	*7.1				
	Parity price 3/	Price support level 4/	Placed under Government loan		Remaining in Government loan		
			Quantity	Percentage of crop	stocks on Aug. 31, 1961		
	Ct.	Ct.	1,000 lb.	Pct.	1,000 lb.		
1950	34.2	30.5	34	0.9	0		
1951	37.5	33.2	59	1.5	0		
1952	37.7	33.0	84	2.3	0		
1953	35.6	31.1	24	.8	0		
1954	34.5	30.9	123	3.3	0		
1955	34.1	30.8	72	2.2	0		
1956	33.0	32.1	103	3.2	0		
1957	35.5	34.5	11	.4	0		
1958	37.5	34.5	29	1.5	0		
1959	38.0	34.5	24	1.1	0		
1960	38.4	34.5	4	.2	0		
1961	39.7	34.5					
Total	—	—	567	—	0		

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining burley support level; for 1960, as of September; for 1961, as of August. 4/ Set at 66-2/3 percent of burley support through 1957, and stayed at 1957 level from 1958 through 1961 due to changes in legislation. *Preliminary estimate.

Total supplies for 1961-62--October 1 stocks plus this year's crop--are estimated at $84\frac{1}{2}$ million pounds, approximately $1\frac{1}{2}$ million below 1960-61. October 1, 1962 carryover may be reduced a little from the current level.

By February 1, 1962, the Secretary of Agriculture will announce marketing quotas and acreage allotments for dark air-cured and Virginia sun-cured tobacco. Within 30 days following the announcement, growers of Virginia sun-cured (type 37) will vote in a referendum on whether or not they approve marketing quotas for the 1962, 1963 and 1964 crops. Approval by at least two-thirds of the growers voting is necessary before marketing quotas can continue in effect. In the last referendum (February 1959), nearly 98 percent of those voting favored marketing quotas for sun-cured. Producers of dark air-cured (types 35-36), in a referendum held last February, approved marketing quotas for their 1961-63 crops.

Price Supports and Prices

The price support level for the current crop of dark air-cured and sun-cured is 34.5 cents a pound--the same as for the 1960 and 3 prior crops. Government price support will continue for the 1962 crop of dark air-cured (types 35-36) and, providing producers approve marketing quotas, for the 1962 crop of Virginia sun-cured (type 37). The support level for 1962 dark air-cured and Virginia sun-cured will be determined in the same manner as for flue-cured. (See page 38.) It is likely that the 1962 support level will be about 1 percent higher than the 34.5 cents in effect for the current dark air-cured and sun-cured crops.

Last season, the price of the combined 35-37 types averaged $37\frac{1}{2}$ cents per pound--3 cents above 1959 and second highest on record. Type 35 brought an average of 38.4 cents--about a tenth more than in the previous year. The 1960 crop of type 36 averaged 35.4 cents--up almost $1\frac{1}{2}$ cents from 1959. Virginia sun-cured sold at a record average of 37.9 cents-- $3\frac{1}{2}$ cents more than the 1959 crop.

During the 1960 crop marketing season, growers placed about 1.1 million pounds of One Sucker (type 35) and 1.2 million pounds of Green River (type 36) under Government loan. Placements of One Sucker were down substantially from the previous year, and represented about 9 percent of the crop in contrast to 21 percent in the 1959 season. On the other hand, loan placements for Green River increased sharply to the largest in 4 years, and were equal to 19 percent of the crop, compared with 14 percent in the 1959 season. Loan placements of 1960 Virginia sun-cured were even smaller than usual, amounting to 5,000 pounds or three-tenths of 1 percent of the crop.

Cigar Tobacco, Types 41-62

Disappearance and Exports

Filler: The 1960-61 disappearance of Pennsylvania cigar filler tobacco is estimated at 53 million pounds--about 5 million larger than in 1959-60 and

the largest in 5 years. The 1960-61 disappearance of Ohio cigar filler, estimated at about 6 million pounds, is about a half-million lower than in 1959-60. It appears likely that the disappearance of Puerto Rican filler in 1960-61 will be around 30 million pounds--approximately 4 million pounds above the unusually low 1959-60 figure. The predominant portion of the U. S. cigar filler types is used in cigars, but a sizable quantity of Pennsylvania tobacco is used in scrap chewing tobacco. Exports of cigar filler account for a very small part of total disappearance, and for 1960-61 are likely to be around 300,000 pounds.

Imported tobacco accounts for 35 to 40 percent of the tobacco utilized for cigar filler. For many years Cuba has been the leading source of cigar tobacco imported into the United States and the Philippine Republic has ranked second. In the past year, use of imported cigar tobacco from other countries has been increasing. During October 1960-July 1961, imports of Cuban tobacco for consumption were 19 percent lower than in the same period of 1959-60. By contrast, imports of Philippine tobacco were up about 29 percent. Though still far below the quantity of Cuban and Philippine tobacco used, imports of cigar tobacco for consumption from Dominican Republic, Colombia, Netherlands, Brazil, Paraguay, and Indonesia rose appreciably in the past year. On the other hand, the Peruvian tobacco entering consumption channels dropped sharply below the sizable quantity of a year earlier.

Binder: The 1960-61 disappearance of Connecticut Valley binder types 51-52 is estimated at about 9 3/4 million pounds--about three-quarters of a million pounds more than in 1959-60. Indications are that domestic use of both Broadleaf (type 51) and Havana Seed (type 52) will be lower than a year earlier, but the increase in exports--mainly of Havana Seed--was enough to raise total disappearance of the combined Connecticut binder types above 1959-60. The domestic use of the Connecticut binder types is mainly in the manufacture of binder sheet. The development of binder sheet has drastically curtailed the use of these types. Domestic use of these types has dropped to less than a third of what it was 5 years ago. Exports of Havana Seed rose sharply during 1960-61 because of the substantial shipment under P. L. 480 to Spain, which amounted to about 1 1/2 million pounds (farm-sales weight). West Germany and Denmark increased their takings of types 51-52, but there was a sharp decrease in shipments to Belgium and little change in that going to Netherlands.

The 1960-61 disappearance of the Wisconsin binder types is estimated at about 21 million pounds--about a half-million more than a year earlier. Domestic use probably increased some but exports are indicated to be smaller than a year earlier. The main outlet for the Wisconsin binder types is scrap chewing tobacco--output of which during October 1960-July 1961 was running almost even with a year earlier. On the other hand, exports to West Germany and France, two leading foreign outlets, have been substantially below those of a year earlier.

Wrapper: The July 1960-June 1961 disappearance of shade-grown wrapper, types 61-62, was over 17 1/2 million pounds, about 1 1/2 million above a year earlier and largest on record. Domestic use of Connecticut Valley wrapper (type 61) was up sharply from the unusually low 1959-60 figure, but exports were about un-

changed from a year earlier. A sizable quantity of type 61--mainly cuttings, clippings, and leaves unsuitable for cigar wrappers--is being used as a component of binder sheet. The increase in domestic use of the Connecticut shade-grown type 61 more than offset the decreases in both the domestic use and exports of the Georgia-Florida shade-grown type 62. The drop in domestic use of type 62 in 1960-61 was from a record high in 1959-60.

Exports of Connecticut Valley type 61 to West Germany, the leading foreign outlet, were a little lower in 1960-61 than a year earlier. Also, less went to East Germany. However, these decreases were about offset by increases in shipments to Canada, the second ranking outlet, and to the United Kingdom and Canary Islands. Exports of Georgia-Florida type 62 in 1960-61 were down 29 percent. West Germany, the leading foreign outlet, took less and East Germany, the second ranking outlet a year ago, greatly reduced her takings. Netherlands increased her takings substantially in 1960-61 and was the second largest foreign market for this type. None was reported as going to the United Kingdom in contrast to a fair-sized quantity in 1959-60.

1961-62 Supplies

Filler: The October 1 carryover of Pennsylvania and Ohio filler is estimated at 127 million pounds, about equal to that of a year ago and 6 million pounds above the record low of 2 years ago. The September estimate of production of these types is 60 million pounds--nearly a million more than last year's harvestings and second largest in 10 years. This year's crop of Pennsylvania tobacco is indicated to be about the same size as last year, but the Ohio crop is probably the largest in 6 years. The 1961-62 total supply of Pennsylvania and Ohio filler tobacco--this year's production plus carryover--is likely to be near 187 million pounds--a little larger than for 1960-61 and the largest since 1955-56.

The Puerto Rican crop of cigar filler type 46 harvested early this year totaled about 27 million pounds, slightly below a year earlier and the second highest in 5 years. The Puerto Rican Government has set a quota of 28 million pounds for the crop to be planted this fall. Estimated carryover of type 46 on October 1 is about 42 million pounds, perhaps the lowest in 9 years. The production quota, if realized, plus the estimated carryover would provide a total supply of about 70 million pounds--nearly 1 million below 1960-61 but about equal to 1959-60.

Foreign Cigar Tobacco Types: Total arrivals of tobacco from Cuba during January-July 1961 fell 56 percent below the unusually large shipments received in the corresponding period of 1960. However, total arrivals of tobacco from the Philippine Republic was more than a fifth greater than in January-July 1960. Also, in 1960 and thus far in 1961 much larger shipments of cigar tobacco have arrived from several other countries than in prior years. In 1960, over 3-1/3 million pounds of unstemmed cigar tobacco arrived in the United States from the Dominican Republic and 1.4 million pounds from Colombia. In January-July 1961 total arrivals from Dominican Republic were far less than in 1960, but tobacco

Table 24.--Cigar filler tobacco, type 41-46; Domestic supplies, disappearance, and season average prices, for specified periods,

(Farm-sales weight)

Year	Production	Stocks October 1/	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Pennsylvania Seedleaf (type 41)							
Average:							
1947-49	54.6	101.4	156.0	48.8	47.8	1.0	27.7
1950	56.0	115.8	171.8	45.6	45.0	.6	26.4
1951	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953	38.2	119.1	157.3	51.3	51.4	.2	27.5
1954	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960	52.7	109.7	162.4	*53.4	*53.4	---	28.5
1961 2/	52.7	*109.0	*161.7				
Ohio, Miami Valley (type 42-44)							
Average:							
1947-49	10.2	24.5	34.7	8.7	8.7		26.3
1950	10.5	28.0	38.5	7.3	7.3		18.6
1951	7.3	31.2	38.5	10.0	10.0		24.4
1952	8.8	28.5	37.3	10.0	10.0		25.0
1953	6.6	27.3	33.9	9.8	9.8		18.5
1954	8.0	24.1	32.1	9.2	9.2		22.5
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	6.5	6.5		27.3
1960	6.6	17.5	24.1	*6.1	* 6.1		28.1
1961 2/	7.5	*18.0	*25.5				
Puerto Rico (type 46)							
Average:							
1947-49	26.4	65.0	91.4	34.0	29.8	4.2	24.8
1950	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	27.6	42.4	70.0	26.2	25.8	.4	32.2
1960 2/	27.1	43.8	70.9	*30.3	* 30.0	*.3	34.3

1/ Year beginning October 1. 2/ Subject to revision. *Preliminary estimates.

Table 25.--United States general imports of cigar tobacco, 1957-60 and January-July 1961

(Declared weight)					
Classification and country	1957	1958	1959	1960	Jan.- July 1961
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Cigar wrapper (unstemmed):					
Cuba	442	352	748	830	106
Indonesia	120	146	7	2	4
Total	562	498	755	832	110
Cigar filler (stemmed):					
Cuba	8,896	8,797	10,155	7,580	3,067
Philippine Republic	235	327	193	512	0
West Germany	121	66	0	0	0
Total	9,252	9,190	10,348	8,092	3,067
Cigar filler (unstemmed):					
Cuba	14,830	16,171	24,263	26,084	8,227
Dominican Republic	0	24	636	3,357	300
Colombia	0	0	2	1,423	3,980
Netherlands	2	0	4	1,338	70
Paraguay	0	0	6	372	1,143
Indonesia	0	0	4	259	671
Brazil	0	0	2	185	1,377
Philippine Republic	0	4,264	2,801	150	26
Peru	0	0	5,863	0	0
Other	13	11	30	24	34
Total	14,845	20,470	33,611	33,192	15,828
Scrap:					
Cuba	5,457	6,977	7,529	11,860	2,767
Philippine Republic	6,560	5,479	6,416	9,727	8,256
Spain	0	66	1,224	0	0
Netherlands	0	0	0	4	249
Paraguay	0	0	0	1	252
Other ^{1/}	47	119	479	371	413
Total ^{1/}	12,064	12,641	15,648	21,963	11,937
All classifications:					
Cuba	29,625	32,297	42,695	46,354	14,167
Philippine Republic	6,795	10,070	9,410	10,389	8,282
Other countries	303	432	8,257	7,336	8,493
Grand total	36,723	42,799	60,362	64,079	30,942

^{1/} Does not include entries under this classification that probably were not for eventual use in cigars. From Turkey, 1,265,000 of scrap arrived in 1959, 1,123,000 pounds in 1960, and 1,333,752 pounds in January-July 1961. From Greece, 324,000 pounds of scrap arrived in 1960 and 252,000 pounds, in January-July 1961.

Note: General imports include all arrivals in the United States as distinguished from "imports for consumption" which represent merchandise entering into domestic consumption channels.

arrivals from Colombia jumped to 4 million pounds. Also in January-July 1961, total arrivals of unstemmed tobacco and scrap from Paraguay were 1.4 million pounds--far more than in entire 1960. Prior to 1960, only negligible quantities of tobacco, or none, came to the United States from Colombia, Paraguay, and Brazil. (See table 25.) Also in January-July 1961, two-thirds of a million pounds of cigar filler arrived from Indonesia, over $2\frac{1}{2}$ times total arrivals in entire 1960; previously, practically no cigar filler had come to the U. S. from Indonesia, though in prewar years substantial shipments of cigar wrapper had come from there.

Binder: The October 1 carryover of Connecticut Valley binder types 51-52 is estimated at nearly $30\frac{1}{2}$ million pounds--nearly 3 million below a year ago and a record low. The September estimate of production of these types is 5.2 million pounds--nearly a fourth less than in 1960 and the smallest on record. The 1961-62 total supply of types 51-52--the crops plus the estimated carryover--at roughly 36 million pounds will be about 4 million below 1960-61 and a record low.

The October 1 carryover of the Wisconsin binder types 54-55 is estimated at over 48 million pounds--about $1\frac{1}{2}$ to 2 million above carryover in each of the past 3 years. The September 1 estimate of production of types 54-55 is a little over 22 million pounds--slightly lower than in 1960. The indication is that the Southern Wisconsin (type 54) crop is up a little but this is more than offset by the decrease in the size of the Northern Wisconsin (type 55) crop. The 1961-62 total supply of the Wisconsin types--production plus carryover--is likely to be about $70\frac{1}{2}$ million pounds--over 1 million larger than for 1960-61. The increase in supply over a year ago is indicated to be in the Southern Wisconsin type 54, with little change likely in total supply of Northern Wisconsin type 55.

Wrapper: The July 1 carryover of shade-grown wrapper types 61-62 at 26 million pounds is 15 percent above July 1, 1960 and a record high. Most of the jump was in the stocks of Georgia-Florida wrapper type 62. The September estimate of production of types 61-62 is nearly 19 million pounds--about 10 percent lower than last year's harvestings. Production in both areas is below the record levels of last year, but most of the decline is in the Connecticut Valley.

The total supply of shade-grown wrapper--the crop plus carryovers--is about 45 million pounds, about 1.3 million pounds above that for 1960-61 and a record high. The supply of Connecticut Valley wrapper is second only to last year's high while the supply of Georgia-Florida wrapper is indicated to be 14 percent above last year's--the previous record high for that type.

1962 Marketing Quotas and Acreage Allotments

By February 1, 1962, the 1962 marketing quotas and acreage allotments will be announced for (1) Connecticut Valley binder types 51-52, and (2) Ohio filler types 42-44 and binder types 53-55 (principally Wisconsin).

Table 26.--Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Broadleaf (type 51)							
Average: 1947-49	14.4	28.5	42.8	14.7	12.4	2.3	54.7
1950	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959	4.5	20.0	24.5	4.9	4.7	.2	45.0
1960	3.6	19.6	23.2	*4.8	*4.5	*.3	44.0
1961 2/	3.0	*18.4	*21.4				
Connecticut Valley Havana Seed (type 52)							
Average: 1947-49	14.8	18.5	33.3	11.9	9.1	2.8	59.2
1950	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954	11.9	24.3	36.2	12.9	12.2	.7	44.0
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959	3.2	14.5	17.7	4.0	3.3	.7	41.2
1960	3.2	13.6	16.8	*4.9	*3.2	*1.7	42.8
1961 2/	2.2	*11.9	*14.1				
Total Connecticut Valley (types 51-52)							
Average: 1947-49	29.2	47.0	76.2	26.6	21.5	5.1	56.9
1950	31.6	52.7	84.3	27.2	24.5	2.7	46.1
1951	25.7	57.1	82.8	25.1	22.3	2.8	47.3
1952	24.4	57.7	82.1	27.4	25.3	2.1	49.6
1953	26.7	54.7	81.4	25.3	23.5	1.8	56.8
1954	25.2	56.1	81.3	24.6	23.7	.9	50.6
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959	7.7	34.5	42.2	8.9	8.0	.9	42.6
1960	6.8	33.3	40.0	*9.7	*7.7	*2.0	43.4
1961 2/	5.2	*30.3	*35.5				

1/ Year beginning October 1. 2/ Subject to revision.

*Preliminary estimates.

Table 27.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks October 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Southern Wisconsin (type 54)							
Average:							
1947-49	13.4	38.3	51.7	12.7	12.5	0.2	22.5
1950	13.2	40.1	53.3	13.0	13.0		23.5
1951	10.4	40.3	50.7	16.0	16.0		25.3
1952	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	7.2	33.3	40.5	10.0	10.0		24.3
1954	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958	8.8	20.0	28.8	7.9	7.5	.4	34.6
1959	9.2	20.9	30.1	7.9	7.6	.3	29.3
1960	9.1	22.2	31.3	*8.0	*7.9	*.1	28.0
1961 ^{2/}	9.4	*23.3	*32.7				
Northern Wisconsin (type 55)							
Average:							
1947-49	19.6	36.3	55.9	18.5	17.5	1.0	28.8
1950	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.3	12.0	2.3	35.2
1959	11.6	25.3	36.9	12.5	11.6	.9	37.1
1960	13.4	24.4	37.8	*13.0	*12.5	*.5	30.6
1961 ^{2/}	12.9	*24.8	*37.7				
Total Wisconsin types (54-55)							
Average:							
1947-49	33.0	74.6	107.6	31.2	30.0	1.2	26.2
1950	31.9	80.9	112.8	29.4	29.3	.1	26.2
1951	23.3	83.4	106.7	31.6	31.5	.1	28.6
1952	21.9	75.1	97.0	28.3	26.5	1.8	26.9
1953	20.0	68.7	88.7	26.4	26.1	.3	25.8
1954	22.9	62.3	85.2	25.3	24.6	.7	30.0
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.2	19.5	2.7	35.0
1959	20.8	46.2	67.0	20.4	19.2	1.2	33.7
1960	22.5	46.6	69.1	*21.0	*20.4	*.6	29.6
1961 ^{2/}	22.3	*48.1	*70.4				

^{1/} Year beginning October 1.^{2/} Subject to revision.

*Preliminary estimates.

Table 28.--Cigar wrapper tobacco, types 61-62; Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Shade-grown (type 61)							
Average							
1947-49	10.2	11.0	21.0	8.9			268.3
1950	9.1	13.6	22.7	9.7			205.0
1951	8.2	13.0	21.2	8.3			205.0
1952	8.9	12.9	21.8	10.8			210.0
1953	10.3	11.0	21.3	9.9			205.0
1954	9.9	11.4	21.3	10.2			215.0
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.7	13.0	23.7	8.6	6.1	2.5	210.0
1960	12.0	15.1	27.1	11.4	8.9	2.5	225.0
1961 2/	10.4	15.7	26.1				
Georgia-Florida Shade-grown (type 62)							
Average							
1947-49	5.2	3.8	9.1	4.3			235.0
1950	6.4	5.9	12.3	5.4			200.0
1951	6.8	6.9	13.7	5.4			180.0
1952	5.8	8.3	14.1	5.8			180.0
1953	4.5	8.3	12.8	6.0			195.0
1954	6.6	6.8	13.4	6.5			195.0
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.8	7.3	15.1	7.5	6.2	1.3	195.0
1960	9.0	7.6	16.6	6.2	5.2	1.0	200.0
1961 2/	8.5	10.4	18.9				
Total Shade-grown (types 61-62)							
Average							
1947-49	15.3	14.8	30.1	13.3	11.2	2.1	257.0
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.5	20.3	38.8	16.1	12.3	3.8	204.0
1960	21.0	22.7	43.7	17.6	14.1	3.5	214.0
1961 2/	18.9	26.1	45.0				

1/ Year beginning July 1.

2/ Subject to revision.

Table 29.--Cigar tobacco types: Government price support levels 1/

Type	1957	1958	1959	1960	1961
Ohio cigar filler, types 42-44	23.2	23.4	23.4	23.4	23.4
Puerto Rican filler, type 46	32.5	31.2	29.7	29.7	29.7
Connecticut Valley Broadleaf binder, type 51	53.8	56.2	<u>2/</u> 39.6	39.6	39.6
Connecticut Valley Havana Seed binder, type 52	48.8	48.0	<u>2/</u> 39.6	39.6	39.6
N. Y. and Pa. Havana Seed type 53	23.3	25.5	26.5	26.5	26.5
Southern Wisconsin binder, type 54	23.3	25.5	26.5	26.5	26.5
Northern Wisconsin binder, type 55	29.9	31.0	32.0	32.0	32.0

1/ Through 1959, price supports based on 90 percent of parity, but in 1960 and 1961 they stayed at 1959 levels due to changes in legislation. 2/ Beginning with 1959, the method of computing parity prices for types 51-52 was changed and this resulted in a reduction from previous levels.

Table 30.--Cigar tobacco price support operations, quantities placed under loan, 1950-60, and remaining under loan Aug. 31, 1961

Crop year	Puerto Rican, type 46	Ohio types 42-44	Conn. Valley, type 51	Conn. Valley, type 52	So. Wis., type 54	No. Wis., type 55	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1950	0.3	2.6	0.1	3.7	1.4	0.6	<u>1/</u> 11.5
1951	1.1	.6	1.7	2.7	4.8	.1	<u>1/</u> 11.0
1952	1.4	No Price Support <u>2/</u>					1.4
1953	1.4	2.7	<u>3/</u>	1.8	2.4	1.9	<u>1/</u> 10.3
1954	5.1	1.2	.8	3.4	1.3	.9	12.7
1955	2.8	.8	7.8	5.2	.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	---	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	<u>3/</u>	4.4
1960	.9	0	1.6	2.6	3.2	3.2	11.5
Total	20.3	8.4	18.0	21.7	14.5	11.1	<u>1/</u> 96.9
Remaining as of August 31, 1961	0	0	8.7	4.8	4.0	3.1	20.6

1/ Includes 2.8 million pounds of 1950 crop Pennsylvania Seedleaf (type 41) and negligible amounts from the 1950, 1951, and 1953 crops of New York and Pennsylvania Havana seed (type 53).

2/ Price support not in effect because marketing quotas were disapproved by growers. 3/ Less than 50,000 pounds.

Growers of Pennsylvania filler type 41, in February 1959, rejected quotas on their 1959, 1960 and 1961 crops as they had in all previous referendums for this type. In accordance with the legal requirement, Pennsylvania growers will vote probably sometime in February 1962, on whether or not they favor marketing quotas on their 1962, 1963, and 1964 crops. If quotas are disapproved a quota will not be placed in effect. Another referendum could not then be held until early 1965 unless at least one-fourth of the growers petitioned the Secretary of Agriculture. Under the law, price support cannot be offered unless a marketing quota is in effect.

For Puerto Rican cigar filler type 46, a quota has been applied for several years by the Commonwealth Government of Puerto Rico.

Existing legislation on tobacco makes no provision for marketing quotas on the shade-grown cigar wrapper types 61-62.

Price Supports

For the kinds of cigar tobacco under Federal marketing quotas and Puerto Rican type 46, price support is mandatory. The 1961 levels of support are the same as in 1960 and 1959. For the 1962 crops, the support levels of the eligible kinds of cigar tobacco will be calculated in the same manner as described for flue-cured on page 38. If the parity index remains near its recent level for the rest of 1961, the 1962 support levels will be 1 percent higher than for 1961.

Table 31.--Tobacco leaf represented in stocks of tobacco sheet on specified dates 1/

Types	(Reported weight)				
	1960		1961		
	July 1	October 1	January 1	April 1	July 1
	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>
Flue-cured (types 11-14)					
Unstemmed	88	90	116	124	139
Stemmed	2,938	2,402	2,298	2,809	2,864
Subtotal	3,026	2,492	2,414	2,933	3,003
Burley (type 31)					
Unstemmed	0	0	0	0	0
Stemmed	1,500	1,447	1,064	1,397	1,400
Subtotal	1,500	1,447	1,064	1,397	1,400
Foreign grown (type 90)					
Unstemmed	60	53	84	86	112
Stemmed	181	218	242	283	374
Subtotal	241	271	326	369	486
Total for cigarettes (including smoking tobacco)					
Unstemmed	148	143	200	210	251
Stemmed 2/	4,642	4,094	3,630	4,515	4,665
Subtotal 2/	4,790	4,237	3,830	4,725	4,916
Pennsylvania (type 41)					
Unstemmed	68	44	80	49	47
Stemmed	251	235	243	312	341
Subtotal	319	279	323	361	388
Connecticut Valley (type 51)					
Unstemmed	310	305	329	355	286
Stemmed	229	206	210	292	157
Subtotal	539	511	539	647	443
Connecticut Valley (type 52)					
Unstemmed	191	190	171	236	212
Stemmed	0	0	0	130	0
Subtotal	191	190	171	366	212
Northern Wisconsin (type 55)					
Unstemmed	182	214	199	185	202
Stemmed	7	8	32	3	1
Subtotal	189	222	231	188	203
Connecticut Valley (type 61)					
Unstemmed	45	64	40	68	74
Stemmed	335	384	360	430	442
Subtotal	380	448	400	498	516
Cuba-Havana (type 81)					
Unstemmed	18	23	78	90	43
Stemmed	0	0	6	9	28
Subtotal	18	23	84	99	71
Total for cigars 3/					
Unstemmed	816	845	900	985	1,122
Stemmed	874	893	893	1,222	5,693
Subtotal	1,690	1,738	1,793	2,207	
Grand total for all types	6,480	5,975	5,623	6,932	6,815

1/ Does not include tobacco stems added in manufacturing process. 2/ Includes very small quantity of Maryland (type 32). 3/ Includes small quantities of mostly other cigar types not separately listed.

Table 32.--Tobacco: Acreage and yield per acre in the United States, by types, for specified periods

Period	Flue-cured		Bur-ley		Mary-land		Fire-cured		Dark air-cured		Va. sun-cured		Cigar				All types	
	11-14		31		32		22-23		35-36		37						Wrapper	
	acres		acres		acres		acres		acres		acres		Filler				61-62	
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	41	42-44	46	51-52	54-55	1,000
Averages																		
1934-38	863.2	347.2	36.7	109.1	23.1	38.7	3.3	23.4	14.6	42.7	12.6	15.6	8.9	1,544.0				
1941-45	889.8	420.1	38.7	54.7	13.6	33.6	2.7	32.9	7.6	35.1	14.7	21.4	10.3	1,577.6				
1947-49	993.5	433.3	48.0	56.9	12.0	29.2	3.2	36.1	6.8	33.5	18.2	22.5	14.8	1,709.6				
1950	958.4	408.3	50.0	43.1	9.8	25.5	3.2	37.3	7.8	34.0	18.9	22.1	13.7	1,633.0				
1951	1,110.1	456.1	53.0	39.0	10.0	23.0	3.5	34.9	4.9	33.8	15.3	15.8	13.6	1,813.7				
1952	1,111.3	463.5	50.0	37.6	9.8	22.9	3.4	23.7	5.7	35.6	15.1	15.1	13.1	1,807.4				
1953	1,021.8	419.7	45.0	38.4	9.9	22.3	3.7	25.8	4.7	40.5	14.6	14.3	12.3	1,673.4				
1954	1,042.2	420.9	50.0	42.0	10.0	21.8	4.1	29.2	4.6	36.9	14.4	15.0	13.0	1,704.4				
1955	990.7	310.6	47.0	39.1	9.1	20.0	4.2	29.5	4.4	35.1	13.4	14.3	12.9	1,530.5				
1956	875.3	309.8	43.7	38.5	8.5	19.3	3.1	29.0	3.9	25.5	7.2	11.8	13.3	1,389.0				
1957	662.7	306.6	37.0	24.7	6.9	14.5	2.6	29.0	3.6	25.8	4.3	11.6	13.1	1,148.2				
1958	639.4	297.1	34.0	24.3	6.8	12.7	1.6	30.0	3.0	23.5	2.9	13.0	12.9	1,101.4				
1959	693.3	301.0	40.0	27.6	7.6	13.2	2.1	31.0	3.9	25.6	4.5	13.9	14.0	1,177.6				
1960	691.8	295.7	37.5	25.9	7.3	13.0	1.8	31.0	4.3	26.8	3.8	14.6	14.4	1,168.2				
1961 2/	697.8	315.0	38.0	27.7	7.5	13.4	2.1	31.0	4.4	27.0	3.0	14.3	13.5	1,194.9				
Yield per acre																		
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.				
Averages:																		
1934-38	856	819	749	806	792	839	809	1,413	1,028	663	1,553	1,383	954	865				
1941-45	1,005	1,053	696	986	892	1,027	878	1,382	1,151	812	1,646	1,468	1,004	1,027				
1947-49	1,186	1,267	790	1,128	1,088	1,133	942	1,510	1,504	790	1,607	1,467	1,033	1,196				
1950	1,312	1,222	800	1,054	1,310	983	1,120	1,500	1,350	750	1,670	1,446	1,130	1,259				
1951	1,309	1,355	785	1,183	1,340	1,204	1,145	1,610	1,480	831	1,676	1,473	1,098	1,301				
1952	1,229	1,403	805	1,223	1,250	1,314	1,100	1,600	1,550	963	1,620	1,447	1,124	1,267				
1953	1,245	1,345	900	1,034	930	1,060	790	1,480	1,400	842	1,833	1,400	1,203	1,251				
1954	1,261	1,586	875	1,229	1,060	1,395	900	1,670	1,750	921	1,754	1,530	1,264	1,336				
1955	1,497	1,513	670	1,399	1,155	1,391	775	1,550	1,700	855	1,643	1,475	1,213	1,453				
1956	1,625	1,635	840	1,555	1,260	1,592	1,030	1,670	1,625	941	1,849	1,716	1,290	1,583				
1957	1,471	1,592	1,040	1,411	1,245	1,367	1,030	1,420	1,270	1,035	1,940	1,709	1,442	1,476				
1958	1,691	1,567	915	1,393	1,385	1,269	1,170	1,700	835	1,089	1,687	1,682	1,286	1,600				
1959	1,559	1,669	780	1,560	1,320	1,465	1,040	1,725	1,770	1,062	1,681	1,502	1,325	1,533				
1960	1,808	1,639	875	1,411	1,220	1,403	995	1,700	1,525	1,011	1,792	1,570	1,458	1,687				
1961 2/	1,806	1,659	875	1,519	1,375	1,496	1,050	1,700	1,700	---	1,703	1,563	1,398	1,695				

1/ All types includes types 45, 56, 24, and 53 in various years prior to 1953.

2/ Preliminary.

Table 33.--Federal and State tax revenues from tobacco products for specified periods

Fiscal year	Federal				State		Total	
	Ciga- rettes 1/	Cigars 2/	Chewing, smoking and snuff	Total 3/	All tobacco products 4/	Total Federal and State	Local Govt's 5/	Total Federal State and local Govt's 5/
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Average:								
1930-34	343	16	64	424	19	443		
1935-39	457	13	61	532	50	582		
1940-44	719	19	58	800	127	927		
1945	837	37	57	932	145	1,077		
1946	1,073	41	49	1,166	198	1,364		
1947	1,145	48	44	1,238	245	1,483		
1948	1,208	47	44	1,300	337	1,637		
1949	1,233	46	43	1,322	388	1,710		
1950	1,243	42	42	1,328	414	1,742		
1951	1,294	44	41	1,380	430	1,810		
1952	1,474	45	28	1,565	449	2,014		
1953	1,587	46	21	1,655	469	2,124		
1954	1,514	46	20	1,580	464	2,044		
1955	1,504	46	20	1,571	460	2,031	49	2,080
1956	1,549	45	19	1,613	516	2,129	42	2,171
1957	1,611	45	18	1,674	558	2,232	48	2,280
1958	1,668	47	18	1,734	619	2,353	50	2,403
1959	1,738	51	17	1,807	677	2,484	53	2,537
1960	1,864	50	17	1,932	923	2,855	65	2,920
1961	1,924	50	17	1,991	986	2,977	7/	7/

1/ Includes large cigarettes.

2/ Includes small cigars and amounts on cigars from Puerto Rico covered into the Treasury of Puerto Rico.

3/ Includes cigarette papers and tubes, floor taxes, penalties, etc.

4/ Includes collections in Hawaii beginning 1955 and in Alaska beginning 1957.

5/ Comparable estimates not available for years prior to 1955.

6/ Preliminary.

7/ Local government collections for fiscal 1960 not yet available.

Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 34.--Tobacco manufactures: Net sales, net income, and profit ratios,
annual 1947-60, by quarters 1959-61

Period	Net sales	Net income		Profit			
		Before Federal tax	After Federal tax	Per dollar of sales		As percentage of stockholders equity (annual basis)	
				Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1953	3,768	338	138	9.0	3.7	22.9	9.4
1954	3,672	329	156	9.0	4.2	21.5	10.2
1955	3,796	388	183	10.2	4.8	24.2	11.4
1956	3,959	413	197	10.4	5.0	24.6	11.7
1957	4,262	459	220	10.8	5.2	26.0	12.5
1958	4,649	521	249	11.2	5.4	28.2	13.5
1959	4,908	551	265	11.2	5.4	27.8	13.4
1960	5,139	577	281	11.2	5.5	27.5	13.4
Quarterly 1959							
1	1,114	121	58	10.9	5.2	25.1	12.0
2	1,264	145	70	11.5	5.5	29.5	14.2
3	1,277	151	72	11.8	5.6	30.3	14.4
4	1,253	134	65	10.7	5.2	26.5	12.8
1960							
1	1,172	128	61	10.9	5.2	25.2	12.0
2	1,320	149	71	11.3	5.4	28.5	13.6
3	1,333	153	73	11.5	5.5	28.8	13.7
4	1,314	147	76	11.2	5.8	27.4	14.2
1961							
1	1,231	138	65	11.2	5.3	25.5	12.0
2	1,364	162	78	11.9	5.7	29.2	14.1

Note: The 1947-50 data lack strict comparability with the series beginning 1951.

Compiled and adapted from Quarterly Financial Report for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

STATISTICAL SUMMARY

Item	Unit or base period	1960		1961			Last data as percentage of a year earlier
		July	August	June	July	August	
Average price at auctions							
Flue-cured	Ct. per lb.	55.1	57.9	Closed	60.2	62.9	109
Burley	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Maryland	Ct. per lb.	56.5	Closed	62.2	59.6	Closed	105
Virginia fire-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Ky.-Tenn. fire-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Ky.-Tenn. dark air-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Virginia sun-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Parity prices 1/							
Flue-cured	Ct. per lb.	63.2	63.2	64.5	64.5	64.7	102
Burley	Ct. per lb.	65.6	65.6	68.4	68.4	68.6	105
Maryland	Ct. per lb.	57.8	57.8	60.0	60.0	60.2	104
Virginia fire-cured	Ct. per lb.	42.6	42.6	43.5	43.5	43.6	102
Ky.-Tenn. fire-cured	Ct. per lb.	42.9	42.9	45.3	45.3	45.5	106
Ky.-Tenn. dark air-cured	Ct. per lb.	37.8	37.8	40.2	40.2	40.3	107
Virginia sun-cured	Ct. per lb.	38.4	38.4	39.6	39.6	39.7	103
Pa. cigar filler	Ct. per lb.	29.7	29.7	30.3	30.3	30.4	102
Conn. Valley cigar binder	Ct. per lb.	45.0	45.0	46.2	46.2	46.4	103
Wis. binder and Ohio filler	Ct. per lb.	32.8	32.8	33.9	33.9	34.0	104
Puerto Rican filler	Ct. per lb.	33.1	33.1	35.1	35.1	35.2	106
Parity index 2/	1910-14=100	298	298	300	300	301	101
Industrial production index 3/	1957=100	110	108	110	112	113	105
Employment	Mil.	68.7	68.3	68.7	68.5	68.5	100
Personal income 4/	Bil. dol.	404.7	405.2	417.3	421.2	419.3	103
		1960		1961			
		June	July	May	June	July	
Taxable removals							
Cigarettes	Bil.	43.6	35.7	44.4	44.0	35.9	101
Cigars	Mil.	571.9	503.9	602.2	535.5	532.4	106
Smoking tobacco	Mil. lb.	6.2	4.8	6.4	6.3	4.9	102
Chewing tobacco	Mil. lb.	6.0	4.9	5.8	5.8	5.0	102
Snuff	Mil. lb.	3.3	2.2	3.4	3.3	2.2	100
Accumulated from Jan. 1							
Cigarettes	Bil.	235.0	270.7	200.2	244.3	280.2	104
Cigars	Mil.	3,188.0	3,691.9	2,523.9	3,059.4	3,591.9	97
Smoking tobacco	Mil. lb.	36.2	40.9	30.9	37.2	42.1	103
Chewing tobacco	Mil. lb.	32.1	37.0	26.2	32.0	37.0	100
Snuff	Mil. lb.	17.8	20.1	14.2	17.5	19.6	98
Tax-exempt removals							
Cigarettes	Bil.	3.7	2.6	3.5	3.7	2.8	108
Exports	Bil.	1.8	1.6	1.9	1.9	1.9	119
Cigars	Mil.	8.2	9.1	9.9	13.1	9.5	104
Smoking tobacco	Mil. lb.	.2	.1	.2	.3	.2	200
Chewing tobacco	Mil. lb.	.1	*	.1	.1	.1	---
Accumulated from Jan. 1							
Cigarettes	Bil.	18.5	21.1	16.2	19.9	22.7	108
Exports	Bil.	9.6	11.2	9.1	10.9	12.8	114
Cigars	Mil.	50.1	59.2	43.3	56.4	65.9	111
Smoking tobacco	Mil. lb.	1.2	1.3	1.0	1.4	1.5	115
Chewing tobacco	Mil. lb.	.5	.5	.4	.5	.6	120
Wholesale price indexes 5/							
Cigarettes, reg. nonfilter	1947-49=100	134.8			134.8		100
Cigarettes, filter tip	Jan. 1959=100	100.0			100.0		100
Cigars	1947-49=100	106.5			106.5		100
Smoking tobacco	1947-49=100	167.7			167.7		100
Plug chewing tobacco	1947-49=100	142.4			142.4		100
Snuff	1947-49=100	148.5			154.4		104
Consumer price indexes (urban) 6/							
Cigarettes, reg. nonfilter	1947-49=100	144.3			146.0		101
Cigarettes, filter tip	Mar. 1959=100	106.7			107.8		101
Cigars	1947-49=100	115.5			115.4		100
Imports for consumption							
Cigarette leaf	Mil. lb.	11.2	7.6	11.5	11.2	9.8	129
Cigar tobacco 7/	Mil. lb.	4.1	4.3	4.6	4.0	3.0	70
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	59.2	66.8	52.3	63.5	73.3	110
Cigar tobacco 7/	Mil. lb.	25.5	29.8	22.9	27.0	30.0	101

See footnotes at end of Statistical Summary.

Continued -

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1960		1961		Last data as percentage of	
		June	July	May	June	July	a year earlier
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	25.4	17.2	21.1	25.0	27.8	162
Burley	Mil. lb.	4.8	2.4	3.1	3.3	1.0	42
Maryland	Mil. lb.	.3	1.5	.5	.2	.4	27
Virginia fire- & sun-cured	Mil. lb.	.5	.3	.4	.7	.3	100
Ky.-Tenn. fire-cured	Mil. lb.	1.2	.5	.2	.6	.5	100
Ky.-Tenn. dark air-cured	Mil. lb.	.2	.1	.3	.1	.1	100
Black Fat	Mil. lb.	.4	.4	.3	.2	.4	100
Cigar wrapper	Mil. lb.	.2	.2	.3	.4	.8	400
Connecticut binder	Mil. lb.	*	*	*	*	.1	---
Wisconsin binder	Mil. lb.	*	*	*	*	*	---
Accumulated from beginning of marketing year <u>8/</u>							
Flue-cured	Mil. lb.	419.2	17.2	449.6	474.6	27.8	162
Burley	Mil. lb.	28.0	30.3	26.2	29.5	30.5	101
Maryland	Mil. lb.	8.1	9.6	8.5	8.7	9.1	95
Virginia fire- & sun-cured	Mil. lb.	4.0	4.3	4.7	5.4	5.7	133
Ky.-Tenn. fire-cured	Mil. lb.	14.9	15.4	18.1	18.8	19.3	125
Ky.-Tenn. dark air-cured	Mil. lb.	1.7	1.8	.9	1.0	1.0	56
Black Fat	Mil. lb.	3.7	4.1	3.2	3.5	3.9	95
Cigar wrapper	Mil. lb.	3.8	.2	3.0	3.4	.8	400
Connecticut binder	Mil. lb.	.6	.7	2.0	2.0	2.1	300
Wisconsin binder	Mil. lb.	.8	.8	.3	.3	.3	38
Exports of manufactured tobacco							
in bulk	Mil. lb.	.5	.4	1.1	1.2	1.0	250
Accumulated from Jan. 1	Mil. lb.	3.8	4.3	3.0	4.2	5.3	123
Q u a r t e r l y d a t a							
		1960		1961			
		Apr.-June	July-Sept.	Apr.-June	July-Sept.		
Tobacco stocks--1st of quarter <u>9/</u>							
Domestic types							
(farm-sales weight)							
Flue-cured	Mil. lb.	2,345	2,106	2,364	2,090		99
Burley	Mil. lb.	1,461	1,340	1,405	1,278		95
Maryland	Mil. lb.	57	72	53	73		101
Fire-cured	Mil. lb.	142	135	135	125		93
Dark air- and sun-cured	Mil. lb.	79	72	74	68		94
Cigar filler	Mil. lb.	200	197	197	193		98
Cigar binder	Mil. lb.	94	87	87	86		99
Cigar wrapper	Mil. lb.	26	23	30	26		113
Under Government loan <u>10/</u>	Mil. lb.	778	738	687	674		91
Tobacco sheet <u>11/</u>							
Cigarette types	Mil. lb.	4.3	4.8	4.7	4.9		102
Cigar types	Mil. lb.	1.9	1.7	2.2	1.9		112
Foreign types (unst. equiv.)							
Cigarette and smoking	Mil. lb.	233	241	255	254		105
Cigar	Mil. lb.	53	61	69	70		115
Tobacco outlets <u>12/</u>							
Seasonally adjusted data, annual rates, for charts, p.2:							
Cigarettes							
Production	Bil.	513	503	532	526		105
Taxable removals	Bil.	477	470	491	487		104
Cigar production	Bil.	7.37	7.16	6.89	7.29		102
Smoking production	Mil. lb.	75.8	71.4	76.7	71.1		100
Chewing production							
Scrap	Mil. lb.	32.7	31.4	33.4	29.6		94
Plug and other	Mil. lb.	34.7	31.8	33.1	30.2		95
Snuff production	Mil. lb.	37.6	33.4	35.4	32.4		97
Exports of leaf (farm-sales weight)							
Total	Mil. lb.	429	494	405	520		105
Flue-cured	Mil. lb.	354	413	337	440		107

1/ Based on data for month specified. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Unstemmed equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates. *Less than 50,000 pounds.

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